

# The State of South Carolina

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First Judicial Circuit

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**DAVID M. PASCOE**  
Solicitor

## **NEWS RELEASE (October 9, 2018)**

### **Solicitor David Pascoe's Statement Concerning the Release of the State Grand Jury Report**

On October 3, 2018, the Honorable Clifton Newman granted the State's Motion for Disclosure of the Report issued by the Twenty-Eighth State Grand Jury. The Court signed a subsequent Order which permits unsealing the Report with redactions. The State's consent to those redactions is explained below.

The Report was drafted by the First Circuit Solicitor's Office at the request of the State Grand Jury, as authorized by the State Grand Jury Act. In directing the designated prosecutor to draft a report, the Grand Jury acted upon the belief that citizens of a democratic society must be informed about the conduct of those entrusted with governance, and that transparency is the greatest weapon against corrupt and incompetent government. Concurrent with the release of the Report, the State is releasing Corporate Integrity Agreements reached between the State and lobbyist's principals who retained the services of Richard Quinn & Associates.

The Report details the Grand Jury's findings that the lobbyist's principals who retained Richard Quinn & Associates (RQ&A) are culpable for their role in the pay-for-influence

schemes described in the Report. As a result of these findings, the corporate entity of RQ&A pleaded guilty and the First Circuit Solicitor's Office reached corporate integrity agreements with the following lobbyist's principals who retained RQ&A: AT&T, Palmetto Health, SCANA Corp., South Carolina Association for Justice, and University of South Carolina. The agreements carry substantial terms, resulting in mandatory compliance procedures and fines far greater than the penalties imposed by the Ethics Act. While these entities dispute the allegations, they do acknowledge that improprieties occurred. The State appreciates the willingness of the corporate entities to enter agreements and save taxpayers a significant amount of money by foregoing the cost of prosecution. The Grand Jury's actions in regard to RQ&A and its corporate clients stand as a message that corporations are not immune from prosecution for violations of this State's ethics laws.

In addition to its findings and conclusions, the Grand Jury addresses significant questions surrounding the initiation of this investigation and the relationship between the Attorney General's Office and the targets of this investigation, which has been subject to significant speculation. Further, the Grand Jury provides recommendations to the General Assembly to take action with respect to the shortcomings in our State's ethics laws that resulted in tangible impediments to this investigation.

The Report released today contains redactions to which the State temporarily consents in the interest of eliminating any further delay in the public's right to review it. On September 6, 2018, the State filed a public motion requesting disclosure. A hearing was held to discuss the merits of the motion on September 26. A second hearing was held a week later on October 3 during which the Court ordered release of the Report but permitted the attorney for Defendant Rick Quinn, Jr. to propose redactions. Mr. Quinn's attorney proposed redactions, to which the

State objected, and the Court requested a third hearing to take up the matter of the redactions. To allow disclosure of the Report without further delay, I made the decision to consent to temporary redactions. To be clear, the State believes the redactions are not merited, and we will file a public motion to take up that matter at a later date.

I wish to close with two points. First, this is not “The Pascoe Report” as I have heard mentioned by attorneys opposing its release in court. This is the Report of the Twenty-Eighth State Grand Jury. The Report contains their collective opinions, conclusions, and recommendations. Finally, I would like to wholeheartedly thank every member of the Twenty-Eighth State Grand Jury for their honorable service to the State of South Carolina. The Grand Jurors were asked by the State to serve for two full years. They routinely traveled from all corners of this State and interrupted their personal and professional lives to convene in Columbia. Each and every member of the Grand Jury embodies the civic traditions that make our judicial system the envy of the world, and the State of South Carolina owes them a debt of gratitude.

Respectfully,



David M. Pascoe  
First Circuit Solicitor

**FILED**

**OCT 08 2018**

**JAMES R. PARKS  
CLERK, STATE GRAND JURY**

IN THE STATE GRAND JURY OF SOUTH CAROLINA

IN RE: STATE GRAND JURY  
INVESTIGATION NO. 2016-257


**CONSENT ORDER**

This matter is before the Court upon the motion of the designated prosecutor in the above referenced State Grand Jury investigation to unseal the Report of the Twenty-Eighth State Grand Jury (the "Report") for public disclosure. The Court has permitted Richard Quinn, Jr. to submit proposed redactions to the Report. Those redactions were submitted on Friday, October 5, 2018, and are listed by reference to page and line number in **Exhibit A**, attached hereto. The State opposes the proposed redactions. The State Media Company has also intervened in this matter to support release of the Report.

The State has consented to unsealing the Report in redacted form, to reflect the redactions suggested by Mr. Quinn, with the understanding that the State will seek removal of these redactions at a later date. Mr. Quinn and The State Media Company indicate that they have no objection to releasing the report in this manner.

IT IS ORDERED that a copy of the Report of the Twenty-Eighth State Grand Jury shall be redacted in the manner suggested by Richard Quinn, Jr. The redacted copy of the Report shall be unsealed and may be disclosed to the general public.

IT IS FURTHER ORDERED that the State and the intervenor may file motions at a later date seeking removal of the redactions suggested by Richard Quinn, Jr.

  
Clifton Newman  
Presiding Judge, State Grand Jury

This 8<sup>th</sup> day of October, 2018  
Columbia, SC



I SO CONSENT:

DAVID M. PASCOE, JR.  
First Circuit Solicitor

W. BAKER ALLEN  
Assistant Solicitor  
First Judicial Circuit

By:



W. Baker Allen

First Circuit Solicitor's Office  
P.O. Box 1525  
Orangeburg, SC 29116  
(803) 533-6252

We do not object:

  
Counsel for Richard M. Quinn, Jr.

  
Counsel for The State Media Co.

# EXHIBIT A

## Proposed Redactions Submitted by Counsel for Richard Quinn, Jr.

Redactions proposed by counsel for Richard Quinn, Jr., by reference to the page and line numbers of the highlighted portions selected:

- p. 5, line 14
- p. 5, lines 17-18
- p. 6, line 21
- p. 7, line 7
- p. 14, fn. 2, lines 1-2
- p. 24, lines 3-5
- p. 24, lines 11-13
- p. 32, lines 8-9
- p. 32, lines 10-14
- p. 44, lines 12-19
- p. 45, lines 7-8
- p. 47, lines 15-17
- p. 48, lines 6-7
- Exhibit 31

**CORPORATE INTEGRITY AGREEMENT**  
**PALMETTO HEALTH**

## SETTLEMENT AGREEMENT

David M. Pascoe, Jr., First Circuit Solicitor for the State of South Carolina, acting with the authority of the Attorney General as ratified by the South Carolina Supreme Court in Pascoe v. Wilson, 416 S.C. 628, 788 S.E.2d 686 (2016), and Palmetto Health acting on behalf of itself and its subsidiaries (hereinafter collectively “Palmetto Health”) enter into this Settlement Agreement for the purpose of resolving potential claims and/or charges arising from alleged violations of the South Carolina Lobbying Act, S.C. Code Ann., §§ 2-17-5, *et seq.*, the South Carolina Ethics Act §§ 8-13-10, *et seq.*, and the Report of 28<sup>th</sup> State Grand Jury, In Re State Grand Jury Investigation 2016-257 issued June 21, 2018 (hereinafter the “Report”). This is a resolution by Palmetto Health of a potential but disputed claim and is being entered by Palmetto Health without admitting any liability or wrongdoing and specifically denying all allegations and claims related to the Report. Palmetto Health denies it ever acted in any intentional or willful manner in regards to any allegations in the Report. Palmetto Health is entering into this Settlement Agreement to avoid the inconvenience and expense of a lengthy litigation.

Additionally, neither First Impressions, Inc. d/b/a Richard Quinn & Associates (hereinafter “RQA”) nor legislators employed by RQA and/or its affiliates provided notice to Palmetto Health that said legislators were being compensated by RQA and/or its affiliates and Palmetto Health denies knowingly violating S.C. Code Ann. § 2-17-110 (G) which prohibits a lobbyist’s principal or person acting on behalf of a lobbyist’s principal from employing a public official on retainer. Further, said legislators employed by RQA and/or its affiliates failed to disclose their employment relationships with RQA and/or its affiliates on their annual Statement of Economic Interest forms as required by S.C. Code Ann. §§ 8-13-110, *et seq.*, which would have provided notice of the employment relationships to Palmetto Health.

The terms of this Settlement Agreement are as follows:

Palmetto Health has agreed to enter into this Settlement Agreement to avoid any claims alleging violations of the South Carolina Lobbying Act, the South Carolina Ethics Act and any matters related to the Report. Specifically, the parties agree to the following:

1. Palmetto Health neither admits any liability, nor admits any facts or conclusions set forth in the Report.

2. Palmetto Health will pay \$100,000 to the State of South Carolina as directed by Solicitor Pascoe, which shall be applied first to the First Circuit Solicitor's Office for reimbursement for the cost of the investigation and the balance to the South Carolina Ethics Commission.

3. In consideration of the above, the State releases and forever discharges Palmetto Health, its current and former officers, directors, employees, affiliates, successors and assigns from any civil, criminal or administrative claim arising from the matters addressed in the Report of the 28<sup>th</sup> State Grand Jury.

I AGREE AND ACCEPT THE TERMS OF THIS AGREEMENT.

Palmetto Health

By:

Bruce A. Greenman, Chm.

Date:

September 5, 2018

David M. Pascoe, Jr.  
David M. Pascoe, Jr.  
First Circuit Solicitor

9/5/18  
Date

**CORPORATE INTEGRITY AGREEMENT  
SOUTH CAROLINA ASSOCIATION FOR  
JUSTICE**

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND ) **CORPORATE INTEGRITY AGREEMENT**

THIS CORPORATE INTEGRITY AGREEMENT (hereinafter referred to as "CIA") is made this 29<sup>TH</sup> day of August, 2018 (the "effective Date") by and among, David M. Pascoe, Jr., First Circuit Solicitor for the State of South Carolina, acting with the authority of the Attorney General as ratified by the South Carolina Supreme Court in Pascoe v. Wilson, 416 S.C. 628, 788 S.E.2d 686 (2016), (hereinafter referred to as "State") and the South Carolina Association for Justice, its current and former officers and employees (hereinafter referred to as "SCAJ").

WHEREAS, from 2008 through 2016, SCAJ paid a monthly retainer fee to First Impressions, Inc. d/b/a Richard Quinn & Associates (hereinafter referred to as "RQA") pursuant to a written agreement which described the services to be provided as general consulting services and also included governmental and public affairs consulting services;

WHEREAS, from 2008 through 2016, SCAJ qualified as a lobbyist's principal as defined by S.C. Code Ann. § 2-17-10;

WHEREAS, RQA has entered a corporate plea for engaging in illegal lobbying from 2008 through 2016, which may include activities taken on behalf of SCAJ during 2011 and specifically, Richard Quinn's attempts, as an officer of RQA, and Representative Rick Quinn's attempts, as a member of the House of Representatives to influence various members of the South Carolina General Assembly regarding legislation at the request of SCAJ in April of 2011 which may constitute unlawful lobbying on behalf of SCAJ;

WHEREAS, from 2008 through 2016, Richard Quinn was not registered as a lobbyist with the South Carolina Ethics Commission and SCAJ did not report Richard Quinn's purported lobbying activities to the South Carolina Ethics Commission;



WHEREAS, S.C. Code Ann § 2-17-25 requires that a lobbyist's principal register and disclose its lobbying activities, including the identity of any individual lobbying on its behalf, and the amount of money paid to such individual;

WHEREAS, S.C. Code Ann. § 2-17-130 provides that in the event a lobbyist's principal willfully violates Chapter 17 of the Ethics, Government Accountability, and Campaign Reform Act of 1991 (hereinafter referred to as "Ethics Act"), the principal may be punished by a fine of up to \$2,500.00, imprisonment of not more than one year, or both, and the principal will be barred from acting as a lobbyist's principal for a period of three years;

WHEREAS, the State and SCAJ enter into this Corporate Integrity Agreement (CIA) for the purpose of resolving potential criminal charges arising from violations of the Ethics Act, specifically, S.C. Code Ann. §§ 2-17-5, *et seq.*, for failing to disclose the lobbying activities of First Impressions, Inc. d/b/a Richard Quinn & Associates (RQA) occurring in April of 2011;

WHEREAS, neither RQA nor legislators employed by RQA and/or its affiliates provided notice to SCAJ that said legislators were being compensated by RQA and/or its affiliates and SCAJ denies knowingly violating S.C. Code Ann. § 2-17-110 (G) which prohibits a lobbyist's principal or a person acting on behalf of a lobbyist's principal from employing a public official on retainer. Further, said legislators employed by RQA and/or its affiliates failed to disclose their employment with RQA and/or its affiliates on their annual Statement of Economic Interest forms required by S.C. Code Ann. §§ 8-13-1110, *et seq.*, which would have provided notice of the employment relationships to SCAJ; and

WHEREAS, SCAJ denies that it has willfully violated any provision of the Ethics Act and enters into this CIA to avoid criminal prosecution for allegedly violating the Ethics Act or any

other potential criminal charges that could be asserted against SCAJ by the State arising from SCAJ's retention of RQA.

NOW THEREFORE, for and in consideration of the mutual promises contained herein, the State and SCAJ agree as follows:

1. SCAJ will amend its registration form with the South Carolina Ethics Commission to accurately report the identity of all persons who were retained and engaged in lobbying activities on SCAJ's behalf during the calendar year 2011;
2. SCAJ will appoint a compliance officer who shall be charged with the responsibility of ensuring that SCAJ accurately reports its lobbying activities to the South Carolina Ethics Commission as required by law;
3. SCAJ will require that all officers and directors certify annually that they have read Chapter 17 of the Ethics Act and that they agree to report to SCAJ's compliance officer any state lobbying activities undertaken on behalf of SCAJ by a paid consultant who is not registered as a lobbyist;
4. SCAJ will pay \$30,000.00 to the State of South Carolina as directed by the State, which shall be applied first to the First Circuit Solicitor's Office for reimbursement for the cost of the investigation and the balance to the South Carolina Ethics Commission.
5. Provided that SCAJ complies with the terms of this CIA, the State will not prosecute SCAJ for alleged violations of the Ethics Act and SCAJ will not be liable for potential civil penalties set forth in S.C. Code Ann. § 2-17-50 with regard to any activities which are disclosed on the amended report that is required to be filed as set forth herein.
6. This CIA is and shall be a complete bar to any subsequent action or proceeding to set aside or vacate this instrument because of a mistake in fact or otherwise.

**7. The State and SCAJ declare and represent that:**

- a. they have read this CIA and acknowledge that they have the advice of counsel in doing so or the opportunity to consult with counsel;**
- b. no promise, inducement, or agreement not herein expressed has been made to them;**
- c. this instrument contains the entire agreement between the parties hereto and the terms of the instrument are contractual and not a mere recital; and**
- d. if any paragraph or part of this CIA is found void or unenforceable, the remainder of this CIA shall not be affected.**

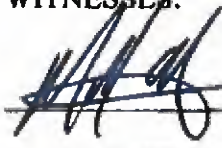

**8. This CIA shall be binding on all successors, officers, directors, partners, agents, subcontractors, servants, employees, purchasers and assigns of the State and SCAJ.**

**9. This CIA shall be construed in accord with and governed by the laws of the State of South Carolina.**


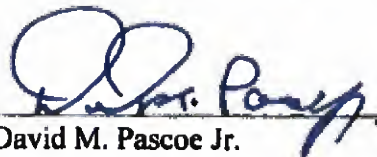
**10. This CIA is a compromise of potential disputed claims and allegations, and the settlement terms are not to be construed as an admission of liability or admission of a violation of the Ethics Act by SCAJ which has expressly denied liability or criminal responsibility and has entered into this CIA solely to avoid the trouble, exposure and expense of further litigation.**

IN WITNESS WHEREOF, we hereunto set our hands and seal as of the Effective Date  
written above.

WITNESSES:

Th 3. Gert, III  
Lemmy Jacques

  
South Carolina Association for Justice  
By: K. Douglas Harris Jr.  
Its: Chief Operating Officer  
David M. Pascoe Jr.  
First Circuit Solicitor

# **CORPORATE INTEGRITY AGREEMENT**

## **AT & T**

## **SETTLEMENT AGREEMENT**

This Settlement Agreement ("Agreement") is entered into by David M. Pascoe, Solicitor for the First Judicial Circuit of the State of South Carolina, acting as Special Prosecutor and with the authority of the South Carolina Attorney General as recognized by the Supreme Court of South Carolina ("the Special Prosecutor"), on the one hand, and AT&T Services, Inc., a Delaware corporation, on behalf of itself and its parents, subsidiaries, and affiliated entities and their officers, directors, and employees, ("AT&T"), on the other.

WHEREAS, neither Richard Quinn, Sr., any business with which he is or was associated, nor any public officials who may have been employed by Mr. Quinn or any such business provided notice to AT&T that said public officials were being compensated by Mr. Quinn or any such business;

WHEREAS, there exist certain disputes and disagreements between the Special Prosecutor and AT&T regarding facts and legal conclusions brought before or addressed by the 28<sup>th</sup> State Grand Jury, including without limitation those addressed in the Report of 28<sup>th</sup> State Grand Jury, In Re State Grand Jury Investigation 2016-257 (issued June 21, 2018); and

WHEREAS, the parties wish to resolve any and all potential existing or future claims arising from or related to the matters brought before or addressed by the 28<sup>th</sup> State Grand Jury ("Covered Issues").

NOW THEREFORE, to avoid the mutual delay, uncertainty, inconvenience and expense of protracted litigation related to the Covered Issues, and in consideration of the mutual promises herein, the parties agree as follows:

1. This Agreement is neither an admission of liability by AT&T, nor a concession of any facts or legal conclusions by AT&T, that are not explicitly set forth in this Agreement;

2. For a period of twelve months from the date of this Agreement, prior to AT&T's registering with the South Carolina Ethics Commission as a Lobbyist's Principal and prior to AT&T's submitting disclosures to the South Carolina Ethics Commission as a Lobbyist's Principal, the State President of AT&T South Carolina will confer with the Senior Vice President - Compliance of AT&T Services, Inc. to ensure that AT&T accurately reports all lobbying activity in South Carolina to the South Carolina Ethics Commission in compliance with applicable South Carolina law;

3. AT&T will amend the Lobbyist's Principal Disclosure it filed with the South Carolina Ethics Commission for the January 1 to May 31, 2016 reporting period to include Richard Quinn, Sr. as a person authorized to lobby on its behalf during that period *provided, however*, that this amended filing shall not subject AT&T to any fines, any penalties, or any civil, criminal, or administrative actions other than those explicitly set forth in this Agreement;

4. AT&T will pay the amount of \$60,000 to the State of South Carolina, as directed by the Special Prosecutor, which amount shall be applied: (a) first to the First Circuit Solicitor's Office, in an amount designated by the Special Prosecutor, as reimbursement toward the cost of the Special Prosecutor's investigation into the Covered Issues; and (b) the balance, if any, to the South Carolina Ethics Commission;

5. AT&T will require the President of AT&T South Carolina to report to the Senior Vice President - Compliance of AT&T Services, Inc. the existence and terms of this Agreement; and

6. In exchange for and in consideration of the promises set forth in Paragraphs 2-5 above, the Special Prosecutor agrees that neither the Special Prosecutor, the State, nor any agency or political subdivision thereof, will initiate or pursue any claims of any nature

whatsoever, including without limitation civil, criminal, or administrative claims, arising from or related to any and all Covered Issues.

We agree and accept the terms herein.

By E. B. Daniel

Date 8/31/18

E. BART DANIEL, on behalf of AT&T Services, Inc., on behalf of itself and its parents, subsidiaries, and affiliated entities and their officers, directors, and employees

By David M. Pascoe

Date 8/31/18

DAVID M. PASCOE, First Circuit Solicitor acting as Special Prosecutor and with the authority of the South Carolina Attorney General as recognized by the Supreme Court of South Carolina



**CORPORATE INTEGRITY AGREEMENT**  
**UNIVERSITY OF SOUTH CAROLINA**

**This Settlement Agreement ("Agreement") is entered into by the State of South Carolina ("State"), through David M. Pascoe, Solicitor for the First Judicial Circuit of the State of South Carolina, acting as Special Prosecutor and with the authority of the South Carolina Attorney General as recognized by the Supreme Court of South Carolina ("the Special Prosecutor"), on the one hand, and the University of South Carolina ("USC") on the other.**

**WHEREAS, there exist certain disputes and disagreements between the Special Prosecutor and USC regarding matters brought before the 28<sup>th</sup> State Grand Jury and the facts, allegations, testimony and legal conclusions addressed in the Report of 28<sup>th</sup> State Grand Jury, In Re State Grand Jury Investigation 2016-257 (issued June 21, 2018)(collectively, the "Covered Issues");**

**WHEREAS, the parties wish to resolve any and all potential existing or future claims arising from or related to the Covered Issues; and,**

**NOW THEREFORE, to avoid the mutual delay, uncertainty, inconvenience and expense of protracted litigation related to the Covered Issues, and in consideration of the mutual promises herein, the parties agree as follows:**

**1. This Agreement is neither an admission of any civil, administrative or criminal liability or wrongdoing by USC, its current or former officers, trustees or employees, nor a concession of any facts or legal conclusions by USC, its current or former officers, trustees or employees.**

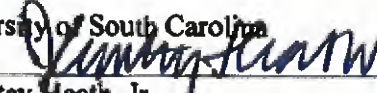
**2. USC agrees to appoint or designate a compliance officer who shall be responsible for ensuring that USC accurately reports its lobbying activities to the S.C. State Ethics Commission as required by law.**

3. USC will amend the Lobbyist's Principal Disclosures it filed with the S.C. State Ethics Commission for the years 2012 and 2013 to accurately report the lobbying activities of Richard Quinn, Sr.; *provided, however*, that these amended filings shall not subject USC to any fines, any penalties, or any civil, criminal, or administrative actions or proceedings other than those explicitly set forth in this Agreement.

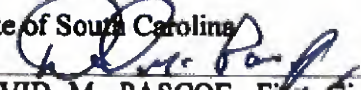
4. USC will pay the amount of \$90,000.00 to the State of South Carolina, which amount shall be applied: (a) first to the First Circuit Solicitor's Office, in an amount designated by the Special Prosecutor, as reimbursement toward the cost of the Special Prosecutor's investigation into the Covered Issues; and (b) the balance to the S.C. State Ethics Commission.

5. In exchange for and in consideration of the promises set forth in Paragraphs 2-4 above, the Special Prosecutor agrees that neither the Special Prosecutor, the State, nor any agency or political subdivision thereof, will initiate or pursue any claims or proceedings of any nature whatsoever against USC, its current or former officers, trustees or employees, including without limitation any civil, criminal, or administrative claims or proceedings, arising from or related to any and all Covered Issues.

We agree and accept the terms herein.

University of South Carolina  
By:   
J. Cantey Heath, Jr.  
Its: Secretary, USC Board of Trustees

Date 09/06/2018

State of South Carolina  
By:   
DAVID M. PASCOE, First Circuit Solicitor  
acting as Special Prosecutor and with the  
authority of the South Carolina Attorney  
General as recognized by the Supreme Court of  
South Carolina

Date 09/06/2018

# **CORPORATE INTEGRITY AGREEMENT**

## **SCANA**

## SETTLEMENT AGREEMENT

David M. Pascoe, Jr., First Circuit Solicitor for the State of South Carolina, acting with the authority of the Attorney General as ratified by the South Carolina Supreme Court in Pascoe v. Wilson, 416 S.C. 628, 788 S.E.2d 686 (2016), and SCANA Corporation, acting on behalf of itself and its subsidiaries (hereinafter collectively “SCANA”) enter into this Settlement Agreement for the purpose of resolving potential claims and/or charges arising from alleged violations of the South Carolina Lobbying Act, S.C. Code Ann., §§ 2-17-5, *et seq.*, the South Carolina Ethics Act §§ 8-13-10, *et seq.*, and the Report of 28<sup>th</sup> State Grand Jury, In Re State Grand Jury Investigation 2016-257 issued June 21, 2018 (hereinafter the “Report”). This is a resolution by SCANA of a potential but disputed claim and is being entered by SCANA without admitting any liability or wrongdoing and specifically denying all allegations and claims related to the Report. SCANA denies it ever acted in any intentional or willful manner in regards to any allegations in the Report. The Report references no covered legislative action existed as to SCANA’s engagement with First Impressions, Inc. d/b/a Richard Quinn & Associates (hereinafter “RQA”) and SCANA denies any occurred. SCANA is entering into this Settlement Agreement to avoid the inconvenience and expense of a lengthy litigation.

Additionally, neither RQA nor legislators employed by RQA and/or its affiliates provided notice to SCANA that said legislators were being compensated by RQA and/or its affiliates and SCANA denies knowingly violating S.C. Code Ann. § 2-17-110 (G) which prohibits a lobbyist’s principal or person acting on behalf of a lobbyist’s principal from employing a public official on retainer. Further, said legislators employed by RQA and/or its affiliates failed to disclose their employment relationships with RQA and/or its affiliates on their annual Statement of Economic Interest forms as required by S.C. Code Ann. §§ 8-13-110, *et seq.*, which would have provided notice of the employment relationships to SCANA.

The terms of this Settlement Agreement are as follows:

SCANA has agreed to enter into this Settlement Agreement to avoid any claims alleging violations of the South Carolina Lobbying Act, the South Carolina Ethics Act and any matters related to the Report. Specifically, the parties agree to the following:

1. SCANA neither admits any liability, nor admits any facts or conclusions set forth in the Report.

2. SCANA will pay \$72,000 to the State of South Carolina as directed by Solicitor Pascoe, which shall be applied first to the First Circuit Solicitor's Office for reimbursement for the cost of the investigation and the balance to the South Carolina Ethics Commission.

3. In consideration of the above, the State of South Carolina releases and forever discharges SCANA from any civil, criminal or administrative claim arising from the matters addressed in the Report of the 28<sup>th</sup> State Grand Jury.

THE UNDERSIGNED AGREE TO AND ACCEPT THE TERMS OF THIS AGREEMENT.

SCANA Corporation

By: Jim O. Stuckey  
Jim O. Stuckey  
Senior Vice President and General Counsel

Date: Sept. 6, 2018

David M. Pascoe, Jr.  
David M. Pascoe, Jr.  
First Circuit Solicitor

9/6/18  
Date

# **28<sup>TH</sup> STATE GRAND JURY REPORT**

IN THE STATE GRAND JURY OF SOUTH CAROLINA

In Re: State Grand Jury  
Investigation 2016-257

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Report of the Twenty-Eighth State Grand Jury

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**FILED**

**JUN 21 2018**

JAMES R. PARKS  
CLERK, STATE GRAND JURY

To the Honorable Clifton Newman, Chief Administrative Judge:

We, the members of the Twenty-Eighth South Carolina State Grand Jury, having concluded an investigation of possible political and financial crimes committed by members of the South Carolina General Assembly, do hereby make the following report to the Court.

The grand jury strongly believes that the interest of the State of South Carolina will be best served through public disclosure of this report and calls upon the State to release this report at the soonest possible opportunity.



Twenty-Eighth South Carolina State Grand Jury

June 21, 2018.



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## **I. Introduction**

The State Grand Jury is vested with subject matter jurisdiction to investigate crimes involving public corruption, crimes arising from election laws, and conspiracy to commit the same by South Carolina Code Annotated Section 14-7-1630. This investigation was initiated on March 18, 2016 upon notification to the Chief Administrative Judge, the Honorable Clifton Newman, pursuant to the terms of the South Carolina State Grand Jury Act, S.C. Code Ann. §§ 14-7-1600, *et seq.*, by the Chief of the South Carolina Law Enforcement Division Mark Keel and First Circuit Solicitor David M. Pascoe, Jr., acting with the authority of the Attorney General as ratified by the South Carolina Supreme Court in Pascoe v. Wilson, 416 S.C. 628, 788 S.E.2d 686 (2016). The grand jury strongly believes that the public interest will be served by the issuance of the following report highlighting the findings and conclusions reached throughout this two-year investigation.

### **a. Origins of the Investigation—Speaker of the House Bobby Harrell**

This investigation was initiated on the basis of information gathered in the course of a prior investigation into the conduct of former Speaker of the House of Representatives Robert “Bobby” Harrell. The Harrell investigation was prompted by a complaint from the President of the South Carolina Policy Council, Ashley Landess, alleging her organization, “along with multiple citizens, organizations and South Carolina journalists—has publicly raised serious, valid and documented concerns that the Speaker of the House Robert Harrell, Jr. has engaged and may continue to engage in an ongoing pattern of abuse of power that appears to violate multiple South Carolina ethics laws.” **Exhibit 1**, December 5, 2013 SLED Report.

On December 5, 2013, SLED submitted an investigative report regarding the Harrell matter to the Office of the Attorney General summarizing its findings and analysis of records, documents, and interviews. On the basis of the SLED report, a State Grand Jury case was initiated in January

2014 to further investigate the conduct of Mr. Harrell, and at this time the jury proceeded under the guidance of the Attorney General's Office. Shortly after the case was initiated, on February 24, 2014, counsel for Mr. Harrell moved to have Attorney General Alan Wilson recused from the case. The recusal motion was based on communications between Attorney General Wilson and a member of Mr. Harrell's staff.

On July 24, 2014, Attorney General Wilson wrote a letter to First Circuit Solicitor David Pascoe requesting that his office serve as the designated prosecutor for the Harrell matter, noting:

Due to various legal challenges, baseless accusations concerning the Attorney General's lack of impartiality, as well as political innuendo—which clearly has no place here—the State Grand Jury investigation has been stopped dead in its tracks.

\* \* \*

Therefore, pursuant to the Attorney General's authority as chief prosecutor pursuant to Art. V. § 24 of the State Constitution and in an effort to move this investigation forward without further disruption, I am requesting that your Office agree to serve as the designated prosecutor in this matter.

**Exhibit 2.**

Solicitor Pascoe accepted the designation and proceeded to move forward with the investigation. Solicitor Pascoe requested the Honorable Casey Manning sign a disclosure order allowing the State to present the Harrell case to a county grand jury. On September 10, 2014, the Richland County Grand Jury returned nine true billed indictments against Mr. Harrell alleging various violations of state ethics laws.<sup>1</sup> Shortly thereafter, on October 23, 2014, Mr. Harrell pleaded guilty to six counts of misuse of campaign funds and was sentenced to three years of probation and monetary fines. Mr. Harrell was then removed from office. Following Mr. Harrell's guilty plea, the Attorney General's Office removed Solicitor Pascoe from further involvement in

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<sup>1</sup> Prior to Mr. Harrell's indictments submitted by Solicitor Pascoe, no legislator had been indicted under the statutory and common law misconduct in office offenses for campaign finance violations. Indeed, Ken Ard was only indicted for one-year ethics violations.

the case. On November 25, 2014 a redacted version of the SLED report was publicly released. The redacted version of the report concealed portions discussing potential ethics violations by other members of the South Carolina House of Representatives.

**b. The Redacted Legislators—Rick Quinn and Jimmy Merrill**

On October 1, 2014, prior to accepting Mr. Harrell's guilty plea, Solicitor Pascoe wrote an email to Attorney General Wilson raising his concerns regarding conduct by two legislators discussed in the SLED report. In addition to addressing potential ethics violations by Mr. Harrell, the December 5, 2013 SLED investigative report also discussed conduct by Richard "Rick" Quinn, Jr. and James "Jimmy" Merrill during their service as House Majority Leaders that potentially implicated violations of the Ethics, Government Accountability, and Campaign Reform Act, S.C. Code Ann. § 8-13-100, *et seq.*

Specifically, the report detailed a SLED interview with Mr. Merrill describing the manner in which he and Rick Quinn referred Republican House Caucus (the "Caucus") business to their respective companies, [REDACTED] while serving as House Majority Leaders ("HML"). Mr. Merrill described the Caucus as an organization whose primary goal is to maintain a Republican majority within the South Carolina House of Representatives. The HML serves as the chief executive of the Caucus [REDACTED]

[REDACTED] One way the Caucus helped Republican candidates win campaigns was by producing "mailers," or political advertisements advocating for a particular candidate that were bulk mailed to voters in that candidate's district. However, campaign contribution limitations restricted the amount of funds the Caucus could provide directly to a candidate. Therefore, Mr. Merrill explained, Political Action Committees

("PACs") were formed as an alternate route to raising money and supporting candidates. One such Leadership PAC orchestrated by Mr. Harrell was the Palmetto Leadership Counsel ("PLC").

Mr. Merrill explained that during his tenure as HML, he designed the mailers along with Jason Zacher, a Caucus employee. Neither the Caucus nor the PLC were equipped with commercial printing facilities. So once the mailers had been designed they were sent to a commercial printshop to be prepared for bulk mailing. Mr. Merrill's practice as HML was to utilize a company he owned, Geechee Communications, LLC, as an intermediary or middleman between the Caucus and the printshop. Geechee Communications was not equipped with commercial printing facilities either, so printing services for the mailers were outsourced. The cost of having the mailers printed was fronted by Mr. Merrill, as Geechee Communications, and Mr. Merrill marked up the price of printing the mailers and billed the Caucus or to the PLC through his company. Thus, Mr. Merrill received a profit by directing Caucus and the PLC business to his company and marking up the cost of paying subcontractors who did the work. Often times, PLC paid invoices from Geechee Communications for candidate specific mailers produced by the Caucus as if the mailers were attributable to the PLC.

Mr. Merrill served as HML for 4 years, the maximum term at that position, from 2004 to 2008, and succeeded Rick Quinn, who served from 2000 to 2004. During the SLED interview, Mr. Merrill pointed out that Rick Quinn operated the Caucus mailer program in a similar fashion. However, rather than simply acting as a middleman and marking up invoices, Mr. Quinn and his family owned a printshop and a political consulting company. Mr. Merrill believed that Mr. Quinn sent [REDACTED] Caucus mailing business to his family's businesses while he served as HML.

**c. Scope of the investigation**

Based on the information provided by Mr. Merrill in his SLED interview, the December 5, 2013 SLED report suggested that the manner in which Mr. Merrill and Mr. Quinn operated the Caucus while serving as HML potentially violated the Ethics, Government Accountability, and Campaign Reform Act. Because Mr. Merrill and Rick Quinn were in a position to decide how and where the Caucus spent funds due to their leadership positions as HML, the practice of directing this business to their personal companies [REDACTED] potentially constituted the unlawful use of an official position for financial gain.

In an October 1, 2014 email, Solicitor Pascoe advised Attorney General Wilson to consider further investigation into the redacted legislators in the SLED report. For nearly a year, between October 2014 to July 2015, the investigation of the redacted legislators was managed within the Attorney General's Office by Chief Deputy Attorney General John McIntosh, and no action was taken. As explained in an affidavit submitted by SLED Chief Mark Keel, SLED received no direction with regard to the redacted legislators in the SLED report. On July 17, 2015, McIntosh sent a letter to SLED Chief Mark Keel instructing him to complete the SLED investigation into the redacted legislators and forward the results to Solicitor Pascoe for a prosecutive decision. Shortly thereafter, on July 24, 2015, Deputy Attorney General Creighton Waters sent a letter to Solicitor Pascoe informing him of the Attorney General's decision to recuse his office from the redacted legislators investigation and appointing Solicitor Pascoe to the case.

On the basis of information gathered by SLED concerning the redacted legislators described above, Solicitor Pascoe and Chief Keel signed a State Grand Jury case initiation. The investigation was initiated due to the need for statewide subpoena power to gather documents and interview witnesses, as voluntary compliance with SLED requests for information from parties

involved had discontinued. The scope of the investigation encompassed potential financial and political corruption crimes perpetrated by former Representative Jimmy Merrill and former Representative Rick Quinn, as discussed above. The case initiation was signed by Chief Administrative Judge Clifton Newman on March 18, 2016, and the Clerk of the State Grand Jury proceeded to administer the oath to Solicitor Pascoe. State Grand Jury Number 27 was already empaneled and meeting monthly at that time, so that grand jury's area of inquiry was expanded to include the redacted legislators. No testimony or subpoenas were issued by that grand jury due to a dispute with the Attorney General's Office regarding Solicitor Pascoe's authority to initiate a State Grand Jury Investigation. However, on July 27, 2016, once the dispute was resolved, the investigation was transferred to State Grand Jury Number 28.

## **II. Summary of Work Completed by the State Grand Jury**

State Grand Jury Number 28 was empaneled in June, 2016 to serve for a single year. Due to the complexity and significance of this investigation, this jury has been extended for two additional six-month periods and has served a total of two full years on this investigation—the maximum permitted by statute.

The grand jury has issued 63 document subpoenas throughout the course of this investigation and information gathered by investigators has resulted in the issuance of three search warrants, including the search and seizure of records located at the offices of Richard Quinn and Associates. As a result, the grand jury has received over 975,856 pages of documentary evidence, which has been meticulously reviewed and analyzed by members of SLED and the First Circuit Solicitor's Office. The investigators have presented this evidence through SLED Lieutenant Jeremy Smith, who has testified before the grand jury regarding the investigation on six separate occasions.

### **a. Witnesses called to testify before the State Grand Jury**

The grand jury heard testimony from 32 witnesses, listed below.

- Adam Piper
- Bob McAllister
- Carol Stuart
- Charles Beaman
- Charles McFadden
- Ed Walton
- Erich Skelton
- Harris Pastides
- India Null
- James Merrill
- Jeremy Smith
- Jim Harrison
- Joseph "Pete" Strom



- Julian Gibbons
- Kenneth Bingham
- Kenneth Jackson
- Kevin Hall
- Michael Gunn
- Pamela Lackey
- Rebecca Mustian
- Richard Quinn Sr.
- Robert Cook
- Thad Viers
- Tracy Edge
- Trey Walker
- Wallace Cheves
- Alan Wilson
- Luke Rankin
- Glen McConnell
- Mark Joye
- Herb Hayen
- Bill Stern

**b. Indictments returned by the State Grand Jury**

**James “Jimmy” Merrill**

On December 14, 2016, the Richland County grand jury issued 30 indictments against Jimmy Merrill.

On September 1, 2017, Mr. Merrill pleaded guilty to statutory misconduct in office.

**Richard “Rick” Quinn, Jr.**

On May 16, 2017, the grand jury returned two true billed indictments against Rick Quinn. Indictment 2017-GS-47-12 for statutory misconduct in office, and Indictment 2017-GS-47-12 for common law misconduct in office.

On October 18, 2017, the grand jury returned an additional true billed indictment against Rick Quinn for criminal conspiracy, Indictment 2017-GS-47-32.

On December 13, 2017, Rick Quinn resigned from office and entered a guilty plea to statutory misconduct in office pursuant to a plea agreement. The remaining charges were dismissed. The plea agreement as interpreted by the trial court is subject to significant disagreement with Solicitor Pascoe. Following the plea, Solicitor Pascoe's office appealed the trial court's conduct during the plea and asked that the Court of Appeals remove Judge Mullen from the case. As of this writing, the appeal has not been resolved.

**Richard Quinn, Sr.**

On October 18, 2017, the grand jury returned two true billed indictments against Richard Quinn, Sr. Indictment 2017-GS-47-42 for failure to register as a lobbyist, in violation of S.C. Code § 2-17-20, and Indictment 2017-GS-47-43 for criminal conspiracy.

On December 13, 2017, Mr. Quinn's business, Richard Quinn and Associates, pleaded guilty to failure to register as a lobbyist pursuant to a plea agreement. The charges against Mr. Quinn were dropped in exchange for his testimony before the grand jury.

**John Courson**

On March 16, 2017, the grand jury returned three true billed indictments against John Courson. Indictment 2017-GS-47-08 for statutory misconduct in office, Indictment 2017-GS-47-07 for common law misconduct in office, and Indictment 2017-GS-47-09 for conversion of campaign funds to personal use, in violation of S.C. Code § 8-13-1348.

On October 18, 2017, the grand jury returned two true billed indictments against Mr. Courson. Indictment 2017-GS-47-33, a superseding indictment for statutory misconduct in office, and Indictment 2017-GS-4734 for criminal conspiracy.

On June 4, 2018, Mr. Courson resigned from office and pleaded guilty to common law misconduct in office.

**James Harrison**

On October 18, 2017, the grand jury returned three true billed indictments against James Harrison. Indictment 2017-GS-47-35 for statutory misconduct in office, Indictment 2017-GS-47-36 for common law misconduct in office, and Indictment 2017-GS-47-37 for criminal conspiracy.

As of this writing, those indictments are outstanding.

### **Tracy Edge**

On October 18, 2017 the grand jury returned four true billed indictments against Tracy Edge. Indictment 2017-GS-47-38 for perjury, Indictment 2017-GS-47-39 for statutory misconduct in office, indictment 2017-GS-47-40 for common law misconduct in office, Indictment 2017-GS-47-41 for criminal conspiracy.

As of this writing, those indictments are outstanding.

### **III. Findings and Conclusions**

State Grand Jury Number 28 has reached the following conclusions based on its two-year term of service on this investigation:

1. The grand jury concludes that corporate entities retained Richard Quinn for the purpose of gaining access to and influence over public officials, and by failing to report Mr. Quinn's services, influenced the outcome of legislative matters with no accountability or disclosure to the public in violation of the State Lobbying Act.
2. Independent expenditures and "dark money" have a significant influence on the outcome of elections because the General Assembly has failed to address statutory provisions that were deemed unconstitutional many years ago. These statutes should be revised, as many other states have already done.
3. Existing laws regulating the ethics of public officials, candidates for office, and lobbying activities are weak, and the grand jury calls upon the General Assembly to strengthen the weapons available to prosecutors.
4. The grand jury has concerns regarding the Attorney General's relationship to the subjects of this investigation. The grand jury concludes that Attorney General Wilson's loyalty should lie with the citizens of South Carolina, who he represents, rather than with the Quinn family, and that his actions impeded this investigation.

#### **a. Richard Quinn and Associates—Unlawfully selling influence and access**

The grand jury concludes that RQ&A profited from selling political influence and access to corporate entities without any accountability or disclosure to the public in violation of the State Lobbying Act. By developing relationships with many of the state's most powerful legislators and statewide officers over the course of a long career in political campaign management, Richard Quinn offered an insider's access to legislative matters. He was retained by corporate entities and special interest groups to help them achieve their legislative goals by providing special access to key political figures. Although Mr. Quinn claimed that he did not lobby on their behalf, the evidence presented to the grand jury demonstrates that his conduct blurred the line between consulting and lobbying, sometimes crossing the line into direct communication with these leaders of behalf of corporate interests.

Mr. Quinn was known for his success as a political consultant. For decades, he was highly sought by aspiring politicians as a campaign manager and as an advisor. His client list included the last three Attorneys General, the Governor, the Mayor of Columbia, the Speaker of the House, the President Pro Tempore, numerous state Senators and House Representatives, U.S. Senator Lindsey Graham and Congressman Joe Wilson, and many others.<sup>2</sup> RQ&A also benefited from the fact that one of the individuals who depended on its success was Representative Rick Quinn. Mr. Quinn frequently assisted his political clients with messaging, speech writing, and media relations. Often, those public officials grew dependent on Mr. Quinn's advice when the need for careful messaging strategy arose. This network of grateful, and often times dependent, politicians translated into a marketable product for Mr. Quinn, who invariably understood that corporate and special interest groups would be willing to retain someone who could reliably communicate with key legislative leaders in critical moments.

The grand jury reviewed numerous examples of meetings occurring at the offices of RQ&A between corporate representatives and Mr. Quinn or members of his staff. Frequently, these meetings would include legislative friends of Mr. Quinn, including his son, Rick Quinn; Kenney Bingham; Jim Harrison, who was also an employee of RQ&A; Jim Merrill, who was paid a monthly retainer; or others. While many of the corporate representatives who testified before the grand jury claimed that the legislators just happened to be in the building, or just stopped in to say hello, evidence presented to the grand jury demonstrates that their presence was not accidental but was instead arranged by Mr. Quinn to demonstrate his access and influence to his handlers.

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<sup>2</sup> [REDACTED] When his son lost his House seat in 2004, Mr. Quinn hired Representative Tracy Edge, who served on the House Ways and Means Committee. Another RQ&A employee, Jim Harrison, served as the Chairman of the House Judiciary Committee. Both Mr. Edge and Mr. Harrison were terminated by RQ&A when they lost their House seats.

The grand jury heard testimony explaining that lobbyists are ‘name droppers’ by nature. Their network of connections is the product that they sell to their lobbyist’s principals. Mr. Quinn was no different in this regard. For example, when attempting to gain the University of South Carolina as a client, Mr. Quinn wrote:

I hope you don’t mind, but I took the opportunity over the holidays to check with some of my legislative friends and clients on the issues that USC will likely face in the upcoming session.... My statement to you, Lee and [Dr.] Pastides that USC is still perceived as the place where old Democrats go to retire appears to me to be stronger than ever. I believe a relationship with our firm would help overcome that image[.]

**Exhibit 3.** In another example, Mr. Quinn sought to attract the business of real estate development firm Burroughs and Chapin by showing off his connections. During a visit to Columbia by the Chairman of Burroughs and Chapin, Buck Waters, RQ&A staff planned an itinerary to shepherd Mr. Waters to meetings with the gambit of RQ&A legislative friends and clients, including a meeting with Senator John Courson at the State House; lunch with Attorney General Alan Wilson; a private dinner with Representatives Rick Quinn, Kenney Bingham, Bruce Bannister, Jenney Home, and other legislators; breakfast with Columbia Mayor Steve Benjamin; coffee with Dr. Harris Pastides; and more. After the visit, Mr. Quinn drafted a proposal for services for Burroughs and Chapin that provides,

Secondly (we may as well go ahead and be honest) we also wanted to showcase what the Attorney General referred to with that unfortunate metaphor: our tentacles. I prefer to call them relationships based on history, the institutional knowledge and the qualifications we have as a consulting firm interested in becoming a member of your strategic team.

**Exhibit 4.**

While these examples, and those detailed below, demonstrate that Mr. Quinn and his business effectively monetized these “relationships based on history,” he was quick to proclaim that he does not lobby. When presented with clear evidence that Mr. Quinn did, in fact, lobby on

their behalf, corporate representatives testified before the grand jury, “that’s not what they paid him to do” and pointed to contractual agreements that prohibit lobbying. However, despite these claims, numerous examples were presented to the grand jury which demonstrate that Mr. Quinn did promote or oppose through direct communication with public officials the introduction or enactment of legislation. S.C. Code Ann. § 2-17-10(12) (providing the definition of “lobbying”). In fact, the lobbyist principals who engaged RQ&A purportedly for marketing and communications could rarely identify any specific work the firm performed in this area.

A lobbyist is defined by the South Carolina Code as one who is retained to influence public officials through direct communication. S.C. Code Ann. § 2-17-10(13). Those who engage in lobbying activities are required to register as a lobbyist with the State Ethics Commission and submit reports detailing their lobbying activity. Id. §§2-17-20; 2-17-30. Likewise, the lobbyist’s principal must register and disclose its activities. Id. §§ 2-17-25; 2-17-35. Mr. Quinn has never registered as a lobbyist, and none of the corporate entities that have been examined in this investigation have ever disclosed that Mr. Quinn lobbied on their behalf. However, as discussed below, the grand jury concludes that probable cause exists to find that Mr. Quinn’s corporate clients’ failure to disclose the lobbying activities of Mr. Quinn amount to criminal violations of South Carolina law.

The grand jury received evidence that Mr. Quinn’s corporate clients knew that he was having direct communication with legislators on their behalf. As discussed in more detail below, USC lobbyist Trey Walker provided the university’s legislative priorities to Mr. Quinn and asked to assemble Mr. Quinn’s legislative “team” including Rick Quinn, Kenney Bingham, and Jim Merrill to discuss it; AT&T President Pamela Lackey explained to a colleague that Mr. Quinn spoke to Representative Merrill and “told him to lose with dignity” and not fight against a bill

favorable to AT&T; Palmetto Health Government Affairs Director Julian Gibbons explained to the executives that Mr. Quinn had a conversation with Senator Courson and “persuaded him to support” a subcommittee vote. These and other examples below highlight the grand jury’s conclusions with respect to RQ&A and its clients.

### **Palmetto Health**

The grand jury heard testimony from the CEO of Palmetto Health, Charles Beaman, and the Director of Government Relations, Julian Gibbons. Both witnesses testified that RQ&A was retained for political access. As with many of the lobbyist’s principals who testified before the grand jury, the central question put to the witnesses was, what exactly did RQ&A do to earn its monthly retainer? In the case of Palmetto Health, RQ&A was retained in 1996 and for more than 20 years was paid \$13,200 per month, or \$158,000 per year. Yet despite this generous retainer agreement, the witnesses had a difficult time articulating a tangible work product. When pressed, however, the witnesses conceded that a large part of RQ&A’s value was Mr. Quinn’s relationships with key legislative leaders—relationships that a typical contract lobbyist did not possess.

At the outset of testimony by both witnesses, they referenced Mr. Quinn’s role as an advisor on issues important to Palmetto Health but could only recall a few such issues. Both witnesses referenced legislation concerning the Certificate of Need (“CON”) program and its importance to Palmetto Health. However, when asked what specific advice Mr. Quinn offered on the issue, after a long pause, Mr. Beaman described Mr. Quinn’s idea to study the impact of eliminating the CON in other states to gauge its effect in South Carolina. However, the notion that Mr. Quinn earned \$158,000 per year by simply advising Palmetto Health to check how other states managed CON programs is difficult to believe.



To that end, the witnesses were asked to elaborate on a series of emails demonstrating Mr. Quinn's true value to Palmetto Health in achieving their legislative goals. In the first email, Mr. Quinn forwarded a draft on Mr. Beaman's behalf addressed to Senator John Courson—who served on the Senate Medical Affairs Committee. **Exhibit 5.** The email asked Mr. Courson to support Palmetto Health's position regarding a subcommittee vote on a CON issue. Mr. Beaman sent the email drafted by Mr. Quinn to Senator Courson. **Exhibit 5-A.** Later that day, Mr. Quinn drafted a second email on behalf of Mr. Courson responding to Mr. Beaman's request and indicating that the Senator had a conversation with Mr. Quinn and would change his vote accordingly. **Exhibit 6.** Any question that Palmetto Health was aware that Mr. Quinn was having this discussion with Senator Courson is answered in a third email from Mr. Gibbons that provides,

I just got off the phone with Richard. As a followup to Chuck's email, he had an extensive conversation with Senator Courson. He persuaded him to support the Senator Cleary Subcommittee recommendation. He intends to vote that way tomorrow at the Senate Medical Affairs Committee.

**Exhibit 7.** Thus, while suggesting that Palmetto Health look at what other states did with their CON programs likely does not require specialized skill, arranging to have a key Senator change his vote on a CON resolution is something that very few, if any, lobbyist in this State could duplicate.

Another example demonstrating the value of Mr. Quinn's access to legislators involves Palmetto Health's acquisition of the Tuomey Healthcare System. Palmetto Health required an expedited determination from the Internal Revenue Service ("IRS") to establish non-profit 501(c)(3) status for a new entity, Palmetto Health Tuomey. As Mr. Beaman testified, the timing of the determination by the IRS was critical. Mr. Quinn again earned his retainer, not by providing sage advice, but by reaching out to his client U.S. Senator Lindsey Graham's office. **Exhibit 8.** Mr. Beaman also indicated that Mr. Quinn facilitated a similar expedited 501(c)(3) review in 2009

for the acquisition of the Baptist Easley Hospital. As the witness explained, “Richard again, was very instrumental in paving a pathway, if you will, by setting up meetings for us to meet with people that could expedite that.” **Exhibit 9.**

RQ&A’s relationship with the Healthcare Subcommittee of the House Ways and Means Committee is notable with respect to Palmetto Health. During Rick Quinn’s first tenure as a House Representative, which ended in 2004, he served as the Chairman of the House Ways and Means Healthcare Subcommittee. Clearly, this is a position of great significance to Palmetto Health. Once Rick Quinn lost his House seat in 2004, Tracy Edge took over his seat as the Chairman of the Healthcare Subcommittee. Concurrent with Rick Quinn losing his seat, RQ&A hired Tracy Edge—without any disclosures by either RQ&A or Mr. Edge—and paid Mr. Edge a monthly fee that terminated as soon as he lost his seat in the House.

These and other similar examples received by the grand jury demonstrate that Palmetto Health did not retain RQ&A primarily for its marketing and advertising expertise. Instead, RQ&A was retained to gain access to the relationships with key legislators maintained by Richard Quinn. In some instances, the evidence presented to the grand jury shows that Mr. Quinn simply arranged meetings or telephone calls. In other instances, Mr. Quinn engaged in direct communication with legislators about Palmetto Health’s issues. In the CON example above, Palmetto Health was fully aware that Mr. Quinn was communicating with Senator Courson in this manner but made no efforts to correct or report the activity as required by the South Carolina Code of Laws. **Exhibit 10.**

Based on the above discussion and on other testimony and evidence presented, the grand jury concludes probable cause exists that Palmetto Health has willfully violated the State’s Lobbying Act by failing to disclose Mr. Quinn as its lobbyist.

### **The South Carolina Association for Justice, a.k.a. the Trial Lawyers Association**

The relationship between the South Carolina Association for Justice ("SCAJ"), formerly known as the South Carolina Trial Lawyers Association, and RQ&A demonstrates RQ&A's value in running independent expenditure campaigns as well as providing access and influence. Early in the investigation, the grand jury heard testimony from Michael Gunn, the Chief Directing Officer of the SCAJ, regarding their relationship with RQ&A. He testified that the Quinns were hired in 2008 to perform marketing services for the group. RQ&A was paid \$4,500 per month. When asked if the Quinns tried to influence legislators on behalf of SCAJ's interests, Mr. Gunn echoed the common response among RQ&A's corporate clients: "I don't think so and that's certainly not what we paid him for." **Exhibit 11.**

Because of the lengthy delay caused by defense counsel's decision to flag any correspondence involving an individual with a law degree as privileged, the investigation team did not receive emails relevant to the SCAJ until after Solicitor Brackett's team had entered its final phase of review. Eventually, the grand jury received emails between managing members of the SCAJ that discuss Richard Quinn's successful efforts to influence his longtime, powerful friend Senator Glenn McConnell. The emails detail discussions between the President of the SCAJ, Mark Joye, and former President of the SCAJ, Pete Strom regarding a tort reform bill working its way through the Senate, H.3375. These emails also highlight Rick Quinn's involvement with the SCAJ. Senator Glenn McConnell had posed amendments to the bill and the SCAJ leadership was concerned that they would lose Senator McConnell's support for key aspects of the tort reform bill. An email from Mark Joye explains,

If word gets out that McConnell turned on us in this bill, it will have a pretty chilling effect on us giving the amount of money that we have consciously been doing the last 3 years.... None of us can tell that to McConnell but wondering if that is

something that Richard [Quinn] can. We (you) hired Richard and Rick for which they get paid about \$100,000 a year.

**Exhibit 12.**

In an email the same day, Mr. Strom reassured Mr. Joye about Rick Quinn's allegiances by telling him, "I am not worried about his loyalty. He is no true believer. This is business."

**Exhibit 13.** Later, Mr. Strom noted that Mr. Quinn was successful in convincing Senator McConnell to support the SCAJ, writing, "[f]rom the reports I am getting from the meeting this AM, sounds like Mr. Quinn worked his magic [and] got him back on board!" **Exhibit 14.** Clearly, the SCAJ implored Mr. Quinn to lobby Senator McConnell on their behalf regarding the tort reform bill and Mr. Quinn successfully did so.

Following the discovery of Mr. Quinn's efforts to sway Senator McConnell's position in favor of the trial lawyers, the grand jury heard testimony from Pete Strom, a former president of the SCAJ and participant in the emails regarding the McConnell issue. Mr. Strom's testimony shed light on group's motives for hiring the Quinns, which did not involve their marketing prowess. Mr. Strom explained that the Quinns were hired as part of a strategy to gain more influence among Republican legislators. Before, trial lawyers generally had always contributed to Democratic candidates and were generally disfavored by Republican members of the General Assembly. Because of Richard Quinn's success with Lindsey Graham's career, who began as a trial lawyer and eventually rose to a Republican member of the U.S. Senate, the trial lawyers sought Mr. Quinn out as a route to accessing Republican legislators. Mr. Quinn was "the best connected Republican by a large margin" and could use those relationships to the trial lawyers' advantage. Mr. Strom went on to explain the value of Mr. Quinn's relationships:

So what we needed was not a lobbyist because we're smart and we understand the law and we understand where a comma goes and what words mean. We needed

somebody to kind of introduce us into this community and almost give them permission to be friends with trial lawyers.

**Exhibit 15.** Mr. Strom's theory about how Mr. Quinn built this powerful ability to influence legislators is consistent with the grand jury's findings:

[W]hat I learned that he had done and what we wanted to be involved in, is he started with the baby candidates. So if I'm a 25-year-old guy and I want to run for the house, you and I are political consultants, well, if you go to Richard Quinn, he starts writing all your speeches for you, and if you get in trouble with something you say, he helps you out of it. He gives you all the talking points. Those people really sort of become paralyzed to take his advice and that continues to grow as they stay in the legislature.

**Id.**

Based on the above discussion and on other testimony and evidence presented, the grand jury concludes probable cause exists that the South Carolina Association for Justice has willfully violated the State's Lobbying Act by failing to disclose Mr. Quinn as its lobbyist.

**AT&T**

Evidence presented to the grand jury regarding AT&T presents yet another troubling example of the Quinns' value to lobbyist's principals. The grand jury heard testimony from the South Carolina President of AT&T, Pamela Lackey, who explained that the Quinns met with AT&T once per year to discuss the political climate and AT&T's priorities in the General Assembly for that year. Ms. Lackey added that Mr. Quinn would sometimes call to give some details about a poll he conducted for a candidate. For this, RQ&A was paid a \$4,000 - \$5,000 retainer each month, for more than two decades. As with the other corporate clients of RQ&A, this arrangement raises the question of what service RQ&A actually provided to merit a monthly retainer.

Common to other corporate clients, Ms. Lackey indicated that when she met with Mr. Quinn at RQ&A's offices, Representatives Rick Quinn and Kenny Bingham would often times sit

in the meetings. Ms. Lackey testified that, "by happenstance," Rick and Mr. Bingham just happened to be in the building. However, emails from Mr. Quinn to his son and Mr. Bingham show that Mr. Quinn coordinated with them to be certain the two legislators were present. As Mr. Quinn explained in rescheduling one meeting, "I don't need ya'll for the entire meeting.... Sorry to be so vague on time, but I do have an agenda, then I'll be more specific." **Exhibit 16.** Thus, while Ms. Lackey may not have expected Rick Quinn and Kenney Bingham to attend her legislative meetings with Mr. Quinn, they were certainly not there by happenstance.

Ms. Lackey testified that during the 2015-2016 session, AT&T was concerned with enacting a significant bill affecting the telecommunications industry. Specifically, the bill, designated S.277, addressed whether or not wireless providers would be required to pay into the Universal Service Fund which supports telecommunications access in rural communities. Representative Jim Merrill was very much opposed to the bill and had successfully blocked prior efforts to pass it. An email from Ed McMullen—who was also a consultant for AT&T at that time—to Ms. Lackey indicates that, "Rick [Quinn] just told me Merrill has been working the bill--he is a problem. Rick and I are talking at 1 on how to deal with him." **Exhibit 17.** Once the bill reached the House in 2016, Merrill did resist passage of the bill and offered numerous amendments. However, the bill did pass. In an email exchange between Ms. Lackey and another AT&T employee, Ms. Lackey indicates that Mr. Merrill was "a formidable opponent" but that "Quinn's had a talk with him prior. Told him to lose with dignity, but don't do any harm." **Exhibit 18.**

Jim Merrill was interviewed by SLED following his guilty plea and discussed his conversations with the Quinns regarding Bill S.277. Mr. Merrill told SLED that during the legislative session Rick Quinn asked him to call his father. Mr. Quinn asked Mr. Merrill to meet

him at RQ&A's office, which he did once the House adjourned for the day. In that meeting, Mr. Quinn told him that it had been difficult to explain why someone on the "team" had been blocking the bill. Mr. Quinn asked him to change his vote, [REDACTED]

[REDACTED] So instead, Mr. Quinn asked Mr. Merrill to not attend the vote or not work as hard against the bill to ensure its passage. Mr. Merrill explained that his 'working the floor' against the bill was very important in affecting the outcome of votes, and that he was confident he would have been successful had he continued to do so. However, upon Mr. Quinn's request he did not work the floor, and the bill was passed. In his interview, Mr. Merrill indicated that Mr. Quinn told him how important it was to be one big team and to support one another. Significantly, at this time Mr. Merrill was paid a monthly retainer by RQ&A, purportedly for marketing services. [REDACTED]

Based on the above discussion and on other testimony and evidence presented, the grand jury concludes probable cause exists that AT&T willfully violated the State Lobbying Act by failing to disclose Mr. Quinn as its lobbyist.

#### **SCANA Corporation**

Testimony and evidence presented to the grand jury regarding SCANA's relationship with RQ&A illustrates the value of the Quinns' relationships with legislators. RQ&A had been on retainer with SCANA since the 90's and received monthly payment of \$9,750 until 2008 when it was cut to \$6,000. When asked why the retainer was cut, Charles McFadden, SCANA's then Vice President of Government Affairs who oversaw the RQ&A contract, testified, "[w]ell bottom line, he wasn't really doing any work for us." Mr. McFadden elaborated on RQ&A's expected role for

SCANA as general PR work, “special projects,” and that he helped with “relationship issues that [SCANA] had with a couple legislators.” Exhibit 19. However, Mr. McFadden decided to reduce RQ&A’s retainer because Mr. Quinn was not keeping SCANA informed of issues relating to SCANA.

Mr. Quinn did provide a valuable service to SCANA when it came to resolving issues with legislators. Mr. McFadden described an issue SCANA had in 2003 with Senator Glenn McConnell relating to the confederate flag. Senator McConnell is close friend of Richard Quinn and a staunch supporter of the confederate flag. In the early 2000’s, SCANA had Maurice Bessinger cater a lunch for one of its departments, which caused a number of employees to complain due to Mr. Bessinger’s controversial views regarding the use of confederate memorabilia. This ultimately led to SCANA banning the display of confederate flag stickers on vehicles, hard hats, and other company equipment. Some SCANA employees who took issue with the ban contacted Senator McConnell, which resulted in a significant rift between the Senator—who wielded considerable power at that time—and SCANA. Because of Richard Quinn’s close relationship with Senator McConnell, SCANA asked him to help resolve the dispute. Mr. McFadden testified that he did not know what Mr. Quinn did, but that the dispute was resolved.

Another, more recent example involves former Representative Kenney Bingham. During the construction of the VC Summer nuclear facility in 2013, an engineering company owned by Mr. Bingham and his brother, entered a bid for work on a \$15 million project at the site. Mr. Bingham’s company was not selected for the work, and Chicago Bridge and Iron—the contractor who managed the selection process—permitted another company to submit a second bid, undercutting Mr. Bingham’s company. Mr. Bingham was very upset by the scenario and complained to Mr. McFadden about the slight, threatening to take the issue to the Public Service



Commission. Because of Mr. Quinn's close relationship with Mr. Bingham, he was involved from the beginning of the episode. After a number of heated emails, Mr. Bingham ultimately apologizes to SCANA about the episode, noting that he, "had a very good conversation with Richard Quinn tonight and I now have a much better understanding of the process you are having to go through."

**Exhibit 20.**

In light of the two episodes described above, Mr. McFadden was asked, "[w]as Richard Quinn and Richard Quinn and Associates able to provide SCANA with access to legislators, to house members, and senators?" **Exhibit 19.** Mr. McFadden flatly answered that RQ&A did not. However, while Mr. McFadden maintained an excellent memory of the McConnell and Bingham issues, his memory became less clear when he was shown emails in which he requests a meeting with Mr. Quinn and his "team." **Exhibit 21.** By Mr. Quinn's response setting up the meeting, it is clear that the "team" consisted of at least himself, and House members Rick Quinn, Jim Harrison, and Kenny Bingham. **Exhibit 22.** In a 2015 email to Mr. McFadden's successor, Mr. Quinn elaborates on the composition of the team, noting that, "Rick, Jim Merrill and Kenny Bingham are the 3 McFadden normally met with to chat. On the Democrat side, James Smith and Beth Bernstein are also friends." **Exhibit 23.**

Mr. McFadden indicated that he had a few meetings in the early 2000's that included Representative Jim Harrison, but that he could not remember anything about any recent meetings. Nevertheless, Mr. McFadden echoed a common response by RQ&A's corporate clients when presented with emails that demonstrate Mr. Quinn provided access to legislators: "Well, we didn't pay him to do that kind of work. We paid him to do the PR work and things like that." **Exhibit 19.** But the evidence collected by the grand jury shows that, while these corporations may not have

written out a contract that requires Mr. Quinn to provide access to legislators, that is precisely why they continued to pay RQ&A a monthly retainer without doing any real PR work.

The grand jury also received testimony from Kenneth Jackson, who succeeded Mr. McFadden as the Vice President of government affairs in October 2014. Mr. Jackson testified that RQ&A was hired as a PR firm and insisted that emails between him and Mr. Quinn scheduling "your annual sit down meeting with Kenney Bingham and others," were not for the purpose of discussing legislative matters Exhibit 24. However, the grand jury questioned Mr. Jackson extensively on the PR work that Mr. Quinn actually did for the company. Mr. Jackson cited television commercials that RQ&A supposedly produced for SCANA. He explained that the commercials were produced in conjunction with another communications firm, McMullen Public Affairs. When pressed, Mr. Jackson conceded that he was not aware of any actual involvement by RQ&A in the production of the commercials. Mr. Jackson pointed out that RQ&A also conducted polls and surveys but conceded that during his tenure he did not have RQ&A conduct any polls for SCANA.

Based on the above discussion and on other testimony and evidence presented, the grand jury concludes probable cause exists that the SCANA Corporation willfully violated the State Lobbying Act by failing to disclose Mr. Quinn as its lobbyist.

#### **The University of South Carolina**

The University of South Carolina ("USC") initially retained Richard Quinn and Associates in 2010 upon the advice of Lee Bussell, the chairman of marketing firm Chernoff Newman, who was also retained by USC. Dr. Harris Pastides, the President of USC, explained to the grand jury that Mr. Quinn was hired to assist USC's new Vice President of Communications, Luanne Lawrence, in familiarizing herself with South Carolina politics. Ms. Lawrence was from Oregon

and was thus an outsider to South Carolina. Dr. Pastides described Mr. Quinn's role as someone who had "his finger on the pulse of community sentiment, how communities, people, business officials, elected officials thought about the university." **Exhibit 25**. In that capacity, his role was to provide data and feedback to Ms. Lawrence to assist her communications work because, as Dr. Pastides explained, Mr. Quinn's forte was providing feedback and advice regarding elected officials and legislation.

Dr. Pastides testified that it was not his intention to hire Mr. Quinn as a lobbyist or to utilize Mr. Quinn for access to legislators. However, various emails between Mr. Quinn and Trey Walker, an employed lobbyist for USC and former RQ&A employee, discuss meetings in which Mr. Quinn brought together his "political family" or "team" to discuss USC business. Many of these emails, in which Mr. Walker utilized the Quinns to access and arrange meetings with legislators, are transmitted from Mr. Walker's personal email account, which would not be subject to subpoenas or FOIA requests served upon USC. Indeed, while the grand jury did subpoena relevant emails from USC, the emails discussed below were not provided by the university because of Mr. Walker's selective use of his USC email address. The emails were instead gathered through search warrants.

As a first example, in 2012 Mr. Walker sent an email to Mr. Quinn and then-Representative Rick Quinn with USC's budget priorities for that year. **Exhibit 26**. The message noted that then-Senator John Courson would be key to the budget requests and proposed a meeting between the four—USC lobbyist Trey Walker, Richard Quinn, Representative Rick Quinn, and Senator John Courson—to discuss the budget request. The message also notes that Mr. Walker, "would like the home team to continue to get credit for budget on the Senate side." **Id.** In his testimony, Mr. Walker indicated that he sought "credit" with his employer, Dr. Pastides.

The following year, in 2013, Mr. Walker again sent USC's budget priorities to both Mr. Quinn and Representative Rick Quinn, indicating that "it would be good to get the 'team' together like last time to go over them. Maybe we could get Jimmy [Merrill] and Kenney [Bingham] to join us all for dinner somewhere with Pastides to discuss." **Exhibit 27.** In his testimony, Mr. Walker explained to the grand jury that Jimmy Merrill was a budget subcommittee chairman on the House Ways and Means committee and was thus a very important person to influence.

Mr. Walker went on to explain a key point about Mr. Quinn's value. Mr. Quinn had a unique ability to influence legislators such as Mr. Merrill and Mr. Bingham because, "folks listen to him and thought that when he said something that it was -- it was very important, so he was, you know, he was very important." **Exhibit 28.** He explained that a lobbyist should never ask a legislator to support an issue that will be a problem for the legislator politically. Instead, the successful lobbyist must communicate that supporting the issue will benefit the legislator politically. From the perspective of lobbyists seeking to persuade a legislator to support an issue for their principal, Richard Quinn had the ability to do what other could not because most legislators, "thought he was the...oracle." **Id.** Mr. Quinn's experience and political prowess gave his words special weight in the world of legislators, none of whom had been in politics as long as Mr. Quinn had.

Based on the above discussion and on other testimony and evidence presented, the grand jury concludes probable cause exists that the University of South Carolina willfully violated the State Lobbying Act by failing to disclose Mr. Quinn as its lobbyist.

### **The InfiLaw System**

During the summer of 2013 the Charleston School of Law ("CSOL"), a relatively new privately-owned law school, entered into an agreement with the InfiLaw System ("InfiLaw") for

the purchase of CSOL. InfiLaw is a private company, and is not registered as a lobbyist's principal, that owns for-profit law schools throughout the country. However, the company had a dubious reputation for running substandard schools and charging students high tuition rates. When the purchase agreement was announced, the students, faculty, and staff of CSOL were highly opposed to the sale due to InfiLaw's reputation. Kevin Hall, a South Carolina attorney hired to assist InfiLaw with the purchase, testified that part of the negative publicity resulted from the fact that InfiLaw was an out-of-state company purchasing a Charleston institution. Because InfiLaw had no local connections or roots, they had difficulty combatting their reputation as an organization that was entirely profit-motivated.

The negative publicity surrounding the sale of CSOL began to have an effect on the licensing process for InfiLaw. Before any organization can operate an institution of higher learning, they must be licensed by the Commission on Higher Education ("CHE"). Failure to secure a license to operate CSOL meant that InfiLaw would forfeit the \$6 million down payment made for the purchase. However, Mr. Hall testified that InfiLaw was more concerned that failing to secure a license in Charleston would have a negative effect on their ability to secure a license in other states as well. If the license to operate CSOL was not approved, InfiLaw would be forced to explain the failure to any future licensing committees in other states who looked at the company with suspicion. Thus, while securing a license to operate was important for the purchase, avoiding a rejected license application was essential.

Due to the negative publicity surrounding the CSOL sale, and the concern that the bad press might affect the CHE's decision with regard to InfiLaw's license, Kevin Hall recommended InfiLaw hire Representative Jim Merrill's firm, Geechee Communications, to help with marketing and publicity. Despite Mr. Merrill efforts, on May 19, 2014, the licensing subcommittee of the

CHE recommended to the full commission that the license be denied. The full commission was set to take a final vote on the matter on June 5, 2014. InfiLaw was in a difficult position, as the license would likely be denied. At this point, Mr. Hall suggested InfiLaw retain RQ&A. Mr. Hall explained his reason for retaining RQ&A was because InfiLaw needed to develop relationships with key members of the community to attempt to sway the negative perception of the company. RQ&A had relationships with the University of South Carolina, the Trial Lawyers Association, AT&T, and other key members of the business community, as well as numerous public officials. Acceptance by these businesses and officials would help stem the negative sentiment toward InfiLaw and alleviate pressure on the CHE to reject the license.

Mr. Quinn's initial idea was to secure an Attorney General's opinion discussing the licensure requirements for the CHE. Mr. Hall explained that the CHE was required to consider specific, statutorily prescribed factors for licensure. InfiLaw was concerned that the negative publicity surrounding the CSOL purchase would cause the CHE to stray from these objective criteria. Thus, an opinion from the Attorney General reminding the CHE that they are required to restrict their decision to the objective criteria in the statute would help prevent the publicity issue from affecting the decision. Mr. Hall and Mr. Quinn succeeded in having an opinion to that effect issued by the Attorney General prior to the CHE vote.

As the date of the CHE vote approached, InfiLaw grew more concerned that their license would be rejected. Mr. Quinn suggested they find a way to withdraw the application and 'live to fight another day.' Mr. Hall testified that the CHE had a number of vacancies at that time, and new members might change the composition to one that would be more receptive to InfiLaw's application. So InfiLaw sought a graceful way to withdraw the application until a time that they could feel more certain about its outcome. This led to the idea of having Senator John Courson—

who was the Chairman of the Senate Education Committee—send a letter to the CHE recommending they postpone their vote. The letter was drafted by Richard Quinn for Mr. Courson’s signature and edited by Mr. Quinn, Mr. Hall, and Ed McMullen. **Exhibit 29.** Mr. Hall testified that Mr. Quinn had the letter signed by Senator Courson, and it was sent to the CHE. Thereafter, InfiLaw withdrew their application.

Having avoided the CHE vote on their application, InfiLaw next needed to ensure that the new commissioners of the CHE would be favorable to their application. Mr. Hall set up a meeting with RQ&A to discuss their plan. The meeting was attended by Representatives Jim Merrill [REDACTED] [REDACTED] and an email from Mr. Hall the following day details their “to-do” list from the meeting. **Exhibit 30.** [REDACTED]

Based on the above discussion and on other testimony and evidence presented, the grand jury concludes probable cause exists that the InfiLaw System willfully violated the State Lobbying Act by willfully failing to register as a lobbyist’s principal and willfully failing to disclose Mr. Quinn as its lobbyist.

### **Conclusion**

The case presented by RQ&A highlights a problematic overlap between the political “consultant” and the lobbyist. This overlap was exploited by the corporate clients of RQ&A, who retained Mr. Quinn for his access to and influence over some of the state’s most powerful figures. The role of the lobbyist is to advocate the position of corporations and special interest groups to

legislators with the intention to influence their decisions. The role of the political consultant is to offer advice to politicians about messages and positions that will benefit an elected official politically. But as former USC Lobbyist Trey Walker pointed out in his testimony, a successful lobbyist does not ask a legislator to support a politically damaging position. Instead, the successful lobbyist persuades a legislator that supporting his position will be a wise political move. Thus, it is easy to imagine how a professional political consultant with Mr. Quinn's reputation could easily fill the role of a lobbyist by taking advantage of his role as an advisor.

The grand jury heard testimony consistently lauding Richard Quinn as a master of communication and messaging. Mr. Quinn seemed to have his pulse on the community, which was likely a result of his prolific polling activities. Mr. Quinn's impressive stable of political clients often times relied on his communications expertise when they found themselves in political hot-water, and in many cases, the legislators and officials who began their political journeys under Mr. Quinn's guidance grew to depend on his effective writing and strategy. The trust and reliance engendered by Mr. Quinn's political advising services gave him the ability to more effectively and reliably communicate messages that a lobbyist's principal would retain him to deliver.

While a typical lobbyist may be able to effectively communicate his client's message in terms of its political advantage to a legislator, the lobbyist, by his nature, has an agenda. The legislators he lobbies undoubtedly understand that the lobbyist is representing a principal. In many instances, the legislator may support the principal's ideas, and the lobbyist simply educates the legislator. In other instances, the lobbyist must persuade the legislator. But in either case, the lobbyist must make efforts to seek out the legislator. Richard Quinn enjoyed a significant advantage, in that it was the legislators who sought him out for his advice. As many of the witnesses testified, no lobbyist in the state could ask a legislator to travel to the lobbyist's office



for a meeting. However, Richard Quinn routinely arranged to have legislators attend meetings at RQ&A.

The lobbyist principals who retained Mr. Quinn were undoubtedly aware of his extensive network of powerful clients and friends. As demonstrated by USC and the Burroughs and Chambers examples above, Mr. Quinn subtly advertised his legislative friends when seeking to become a client. Indeed, some corporate representatives readily testified before the grand jury that Mr. Quinn was retained specifically for his connections to legislators. But despite hiring Mr. Quinn because of his many friends in the legislature, the witnesses testifying on behalf of lobbyist principals expressed disbelief when confronted with evidence that Mr. Quinn reached out to those friends on their behalf. They consistently claimed, “that’s not what we paid him for,” yet it is unclear from their testimony what else they were paying Mr. Quinn for, in light of the fact that few could articulate an actual work product.

The grand jury concludes that the lobbyist principals and special interest groups that retained Mr. Quinn hired him because of his extensive network of legislative contacts. They may not have hired Mr. Quinn specifically as a lobbyist, however his unique ability to connect with legislators on their behalf as a political advisor at times when a typical lobbyist could not undoubtedly factored into the decision to keep him on retainer for years without doing any actual work. By having Mr. Quinn on retainer, Palmetto Health could have Senator John Courson to flip his vote on CON, AT&T could have Representative Jimmy Merrill “lose with dignity” on the universal services fund bill, or InfiLaw could have Senator Courson—the chair of the Education Committee—ask the CHE to delay a vote. To the extent that the various lobbyist principals claimed that this was not what they hired Mr. Quinn for, it was expected of him. Mr. Quinn was retained

so that he would be standing ready to assist with a legislative effort that could not be solved by a typical lobbyist.

The blurred line between Mr. Quinn's political consulting business and his corporate consulting business presents a weakness in a body of law that is designed to promote transparency between elected public officials and the corporate entities that expend funds with the purpose of influencing the public official's decisions. A lobbyist is defined by the South Carolina Code as one who is retained to influence public officials through direct communication. S.C. Code Ann. § 2-17-10 (13). Those who engage in lobbying activities are required to register as a lobbyist with the State Ethics Commission and submit reports detailing their lobbying activity. *Id.* §§2-17-20; 2-17-30. Likewise, the lobbyist's principal must register and disclose its activities. *Id.* §§ 2-17-25; 2-17-35. In this manner, the State Ethics Commission tracks the activities of lobbyists and promotes disclosure to the public. The problem presented by Richard Quinn's activity is that, absent voluntary reporting of his activities, the State Ethics Commission would have no mechanism to discover and punish his periodic violations of the lobbying provisions of the South Carolina Code. Mr. Quinn was not a public official, nor was he registered as a lobbyist, so much of the Code would not apply to him.

While Mr. Quinn presents a unique case due to his lengthy career, the manner in which he exploited his role as a political advisor could easily be repeated. In the natural course of their work, political consultants collect relationships and build trust as experts in advising politicians. Without any oversight or disclosure, a political consultant is free to engage with corporations and special interest groups to advise them regarding his conversations with his political clients. Further, the political consultant is free to communicate political advice to his political clients that may align with the interests of those corporate clients who pay a monthly retainer. Certainly, a clear line does

exist between communications that constitute lobbying and those that do not. But it would be nearly impossible for the State Ethics Commission to enforce compliance with state lobbying prohibitions where there is no clear distinction between an individual's activities as a political consultant versus a corporate consultant. The State Ethics Commission cannot prove the intent behind a wink and a nod.

The grand jury also concludes that the four-year statute of limitations on criminal prosecution of violations of the lobbying provisions of the South Carolina Code stand as an impediment to enforcement of the provisions and should be eliminated. See S.C. Code Ann. § 2-17-150. The scheme perpetrated by Richard Quinn was only discovered in the course of investigating the conduct of Rick Quinn and Jimmy Merrill. This investigation was initiated on March 18, 2016. However, the SLED report that prompted this investigation was issued in December 2013, and the Attorney General's Office did not investigate the conduct of the redacted legislators during this interim, and only assigned the case to Solicitor Pascoe in July 2015. The delay that has resulted from this inaction, and from other issues arising in this matter, have placed tangible impediments to prosecution for impermissible lobbying activities occurring prior to March, 2012. Notably, this is the sole statute limiting the time within which charges may be brought under state ethics statutes.

**b. Dark money—The problem of independent expenditures**

This investigation began by examining the practices of the House Republican Caucus and the manner in which the Caucus distributed campaign donations to its members. During interviews regarding Caucus business, investigators learned the Caucus also engaged in independent

expenditure<sup>3</sup> campaigns to further assist candidates with races. In addition, the grand jury heard testimony about independent expenditures that were conducted by business clients of RQ&A in furtherance of their legislative agenda.

For example, the South Carolina Association for Justice ("SCAJ") through various PACs contributed over two hundred thousand dollars (\$200,000) running attack ads against incumbent Senator Larry Martin who was the Chairman of the Senate Judiciary Committee. SCAJ opposed Senator Martin because he was a strong proponent of tort reform and if he was defeated then Senator Luke Rankin, a member of SCAJ would then be elevated to Chairman of the Senate Judiciary Committee. RQ&A created a front entity for the SCAJ money called Better Future for Our Community.<sup>4</sup> These attack ads were successful against Senator Martin and he was defeated.

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<sup>3</sup> An independent expenditure campaign is currently defined by the Ethic, Government Accountability, and Campaign Reform Act as,

- (a) an expenditure made directly or indirectly by a person to advocate the election or defeat of a clearly identified candidate or ballot measure; and
- (b) when taken as a whole and in context, the expenditure made by a person to influence the outcome of an elective office or ballot measure but which is not:
  - (i) made to;
  - (ii) controlled by;
  - (iii) coordinated with;
  - (iv) requested by; or
  - (v) made upon consultation with a candidate or an agent of a candidate; or a committee or agent of a committee; or a ballot measure committee or an agent of a ballot measure committee.

S.C. Code Ann. § 8-13-1300 (17).

<sup>4</sup> The address registered for the entity is fictitious, and the Quinns were careful to utilize a bulk mailing permit that could not be traced back to Representative Rick Quinn. In an email containing a draft of a mail piece an RQ&A ensures that the permit number is changed, "[s]ince 1186 is Mail Marketing Strategies[sic] and will be traced back to Rick." **Exhibit 34.**

However, the citizens within Senator Martin's district were never informed who financially supported Better Future for our Community or that its true agenda was to fight tort reform.

Ironically, SCANA, who was also a client of RQ&A, funded a separate independent expenditure supporting Senator Martin. Even more surprising was that SCANA was fully aware of Richard Quinn's efforts to defeat Martin, the candidate that SCANA was supporting. An email from SCANA executive Keller Kissam to SCANA CEO Kevin Marsh and Kenney Jackson complains, "Richard Quinn working for Rice to defeat, Martin, so Rankin can fill his committee head. Gotta love politics!" **Exhibit 32.** Richard Quinn and RQ&A were in a very real sense "dark money" personified. Quinn testified that independent expenditures are very common in elections, and the Larry Martin campaign is consistent with this assertion. Nevertheless, Mr. Kissam clearly did not have as much of an open mind to the prevalence of these campaigns, calling consultants like Richard Quinn a "pack of thieves." **Exhibit 33.**

Although there are South Carolina statutes<sup>5</sup> requiring the disclosure of the true identity of entities and individuals behind independent expenditure campaigns, these laws are unenforceable as a result of various federal court decisions striking down these statutes as violative of the First Amendment. The State Ethics Commission has proposed amendments to these existing disclosure statutes to conform with the federal rulings. These amendments have been modeled after North Carolina's laws that have been found to comply with current federal First Amendment precedent. These proposed amendments have never been enacted. The grand jury strongly believes that the General Assembly should amend these outdated statutes to remove this "dark money" from our elections.

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<sup>5</sup> S.C. Code Ann. §§ 8-13-1304; 8-13-1354.

**c. Existing statutes criminalizing ethics violations should be strengthened**

The grand jury heard testimony from the former Chairman of the State Ethics Commission, Herb Hayden. Mr. Hayden explained to the grand jury there are no criminal penalties within the Ethics, Government Accountability, and Campaign Reform Act greater than a misdemeanor offense carrying a maximum of a single year of imprisonment.<sup>6</sup> Further, the only mechanism for automatic suspension of an indicted legislator requires that the charge be a felony, a charge that carries a potential sentence of two or more years, or a crime of moral turpitude. S.C. Code Ann. § 8-13-560. Mr. Hayden further explained that the determination of what constitutes moral turpitude is left to the House or Senate Ethics Committees. Thus, no violation of the state ethics provisions would trigger automatic suspension from office unless the General Assembly's own committees determined that the offense constituted moral turpitude. This statutory scheme effectively permits the General Assembly to police itself.

The grand jury concludes that state ethics laws should be strengthened to contain provisions which require suspension and removal from office without the supervision of the General Assembly. These laws should also prevent judicial determination as to whether a crime requires suspension, because the members of the judiciary who would make that determination are selected by the General Assembly. While the common law offense of misconduct in office carries a sentence of ten years' incarceration, the offense should be codified to clearly define its contours. Under the statutory scheme as it currently exists, the legislators indicted in this case would not be suspended from office. Nevertheless, their membership was automatically suspended due to the indictment for common law misconduct in office, which carries a maximum prison term of ten

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<sup>6</sup> The exception to this is the punishment for accepting or offering bribes, which is a felony carrying a maximum term of ten year's incarceration. S.C. Code Ann. § 8-13-705.

years and precludes the General Assembly or a court from making a determination regarding suspension.

**d. The Attorney General's actions impeded the investigation**

On March 18, 2016, this investigation was initiated and Solicitor Pascoe was sworn into the investigation. Days later, on March 24, 2016, the Clerk of the State Grand Jury, Jim Parks, informed Solicitor Pascoe and Chief Administrative Judge Newman that he would not administer the oath to any members of Solicitor Pascoe's staff or issue any subpoenas for the case. Mr. Parks's refusal came after Deputy Attorney General John McIntosh and others met with the Chief Administrative Judge for the State Grand Jury complaining that Solicitor Pascoe exceeded his authority by initiating a State Grand Jury Investigation. Chief Administrative Judge Newman declined their request to terminate the investigation; however, the investigation was effectively at a standstill until Solicitor Pascoe's deputies could be sworn in and subpoenas could be issued. To alleviate this impasse, on March 25, 2016, Solicitor Pascoe petitioned the Supreme Court for a writ of mandamus ordering Mr. Parks to resume his duties in swearing special prosecutors into the investigation.

The writ of mandamus filed by Solicitor Pascoe prompted the Attorney General's Office to attempt to remove the designated Solicitor from the investigation altogether. On March 28, 2016, Chief Deputy Attorney General John McIntosh sent a letter to Solicitor Pascoe indicating that the Attorney General "is now compelled to terminate all authority delegated to you[.]" **Exhibit 35**. That same day, Solicitor Pascoe responded by urging the Attorney General to reconsider his position and informing the Attorney General he intended to move forward with the case. **Exhibit 36**. Rather than reconsider his position, the Attorney General attempted to reassign the case to Fifth Circuit Solicitor Dan Johnson. However, Solicitor Johnson refused to accept the case until

the matter was decided by the Supreme Court, noting that, "I believe a justiciable controversy exists as to whether your office has the ability to remove Solicitor Pascoe and appoint me."

The disagreement between the Attorney General's Office and Solicitor Pascoe came to a head on March 30, 2016, when Attorney General Alan Wilson held a press conference, during which he was joined by former South Carolina Attorneys General Henry McMaster, Charlie Condon, and Travis Medlock. Attorney General Wilson used the forum to denounce Solicitor Pascoe and his handling of the redacted legislators investigation and to refute claims that the Attorney General's Office was attempting to impede the investigation.<sup>7</sup>

The same day as the Attorney General's press conference, Solicitor Pascoe filed a second petition with the Supreme Court seeking a declaratory judgment that the Attorney General did not have the authority to terminate Solicitor Pascoe. The Supreme Court expedited the consolidated petitions and heard oral arguments on June 16, 2016. On July 13, 2016, the Supreme Court ruled that the Attorney General could not remove Solicitor Pascoe from the investigation. The Court went on to hold that, "the Attorney General's Office in its entirety was recused from the redacted legislators investigation, and Pascoe was vested with the full authority to act as the Attorney General for the purpose of the investigation." Pascoe v. Wilson, 416 S.C. 628, 644, 788 S.E.2d 686, 695 (2016).

Because the legal issues that prompted Mr. Parks to refuse to swear in Solicitor Pascoe's staff had been resolved, the mandamus action was moot and Mr. Parks resumed his duties. With the approval of the Supreme Court to proceed with the investigation, Solicitor Pascoe transferred

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<sup>7</sup> The grand jury received emails from an Attorney General's Office employee, Adam Piper, which attempt to politicize the matter. The Post and Courier newspaper received copies of the messages and published an article about the attempts to discredit Solicitor Pascoe. Mr. Piper has since apologized to Solicitor Pascoe for his actions.



the case to State Grand Jury Number 28 and the investigation began in earnest, operating entirely independently of the Attorney General's Office. To date, the First Judicial Circuit has received no assistance from the Attorney General in conducting this investigation.

**i. The Attorney General's relationship with Richard Quinn**

On its surface, the relationship between the First Circuit Solicitor's Office and the Attorney General's Office, which started with the Harrell investigation and culminated with the Supreme Court's opinion in Pascoe v. Wilson, appeared to be a battle over the authority of the respective agencies to proceed with a criminal investigation. However, as the investigation progressed, the grand jury received evidence indicating that Richard Quinn—whose client list included both Attorney General Wilson and his father, United States Congressman Joe Wilson—sought to diminish Solicitor Pascoe's control over the investigation. Of particular concern to the grand jury was Mr. Quinn's knowledge of his son's involvement in the Harrell SLED Report, and the Attorney General's decision to continue to seek Mr. Quinn's counsel regarding the investigation.

The SLED investigative report on the Bobby Harrell matter, which detailed concerns about the conduct of Rick Quinn, was transmitted to the Attorney General on December 5, 2013. Mr. Harrell pleaded guilty on October 23, 2014, and a redacted version of the SLED report was publicly released on November 25, 2014. Thus, from December 5, 2013 forward, Attorney General Wilson was fully aware that Rick Quinn, the son of Richard Quinn, was a potential target of a criminal investigation.

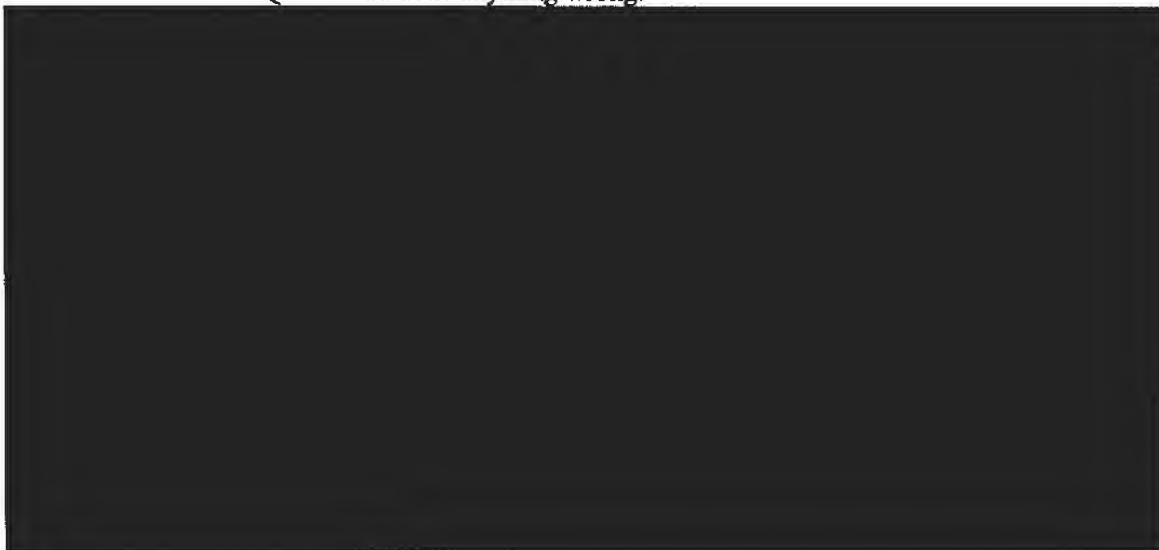
Rather than discontinue contact with Richard Quinn due to the conflict presented by sealed State Grand Jury evidence implicating Rick Quinn, Attorney General Wilson continued to seek counsel from Richard Quinn on matters relating to the investigation. On March 23, 2014, Attorney General Wilson sent a draft of an editorial piece discussing the secrecy in the Harrell investigation

to both Richard Quinn, Sr. *and* to Rick Quinn. **Exhibit 37.** While the editorial does not relate to the Quinns, it does reference the very SLED report which implicates Rick Quinn. ***Id.*** (“Is it not plausible that Wilson might have seen something in the SLED report that led him and the Chief of SLED to sign off on a State Grand Jury referral as well as a judge to subsequently seal it?”).

Two months later, on May 8, 2014, Attorney General Wilson forwarded an email to Richard Quinn containing a letter to Kenney Bingham in his capacity as Chairman of the House Ethics Committee. **Exhibit 38.** The letter was originally sent by an employee of the Attorney General’s Office to Attorney General Wilson, Solicitor General Bob Cook, Chief Attorney of the State Grand Jury Creighton Waters, and Senior Assistant Attorney General Alan Myrick. It was then forwarded by Attorney General Wilson to Richard Quinn. The attached letter to Rep. Bingham discusses the SLED report and asks if the House Ethics Committee had any interest in reviewing the matter. Notably, Rep. Bingham was also a close friend to the Quinn family. The letter from Attorney General Wilson was followed by a subsequent email purporting to retract the Bingham letter, noting “It was intended for somebody on my AGO staff. Please delete that email. I appreciate it.” **Exhibit 39.** The transmission of the letter to Richard Quinn is clearly improper, as it acts as notice to the Quinn family that the Attorney General’s Office was offering to provide sealed State Grand Jury information to the House Ethic Committee concerning the Quinn family. Assuming, *arguendo*, that the Attorney General’s attempt to retract the email was genuine, transmission of the email highlights the problematic relationship between Attorney General Wilson and the Quinn family.

The testimony offered by Richard Quinn regarding transmission of the Bingham letter was, consistent with all of the testimony offered by Mr. Quinn, evasive and selective. Mr. Quinn seemed to have no specific memory of any communications with the Attorney General, but readily

conceded that they spoke nearly every day. Mr. Quinn offered varying answers to the question of when and how he first learned that his son Rick Quinn was mentioned in the SLED report—all disclaimed by his general complaint that he did not possess a strong memory of anything. However, at the conclusion of his two days of testimony the grand jury finally heard that he and the Attorney General discussed this investigation “almost every day probably up until the time I was indicted or shortly before that.” **Exhibit 40.** Mr. Quinn couched the discussions as pertaining to the politics of the matter and the Attorney General’s dispute with Solicitor Pascoe’s authority to conduct the investigation. He explained that Attorney General Wilson had a great deal of affection for the Quinns and thought of Mr. Quinn as a second father. During their discussions about the case, the Attorney General reassured Mr. Quinn that everything would be fine, and that he didn’t believe the Quinns had done anything wrong.



Mr. Merrill’s testimony also echoed Mr. Quinn’s in that he was reassured by Attorney General Wilson that the criminal case against him would work itself out, and that it would be fine. On one occasion, Mr. Merrill indicated that the Attorney General informed him that an opinion would be released that was “good” and that the case would work itself out. The grand jury believes

this is a reference to the December 11, 2015 Attorney General's Opinion, which concludes that the House Majority Leader can direct the Caucus to hire and pay a business in which he has an interest. The nonbinding opinion determined that the conduct of Mr. Quinn and Mr. Merrill in referring hundreds of thousands of dollars of caucus business to themselves while serving as leaders of the Caucus by virtue of their position as House Majority Leader did not constitute the use of official position for personal gain.

[REDACTED]

[REDACTED] The testimony of Mr. Quinn established that the Attorney General spoke with Mr. Quinn nearly every day, including discussions regarding Solicitor Pascoe and the investigation.

In its investigation the grand jury received emails which demonstrate that despite the obvious conflict of interest and disclosure issues, Attorney General Wilson continued to solicit assistance from Richard Quinn in drafting letters and statements concerning the investigation. The first email is an exchange between Richard Quinn and Robert Cook, a senior member of the Attorney General's Office, on October 23, 2014—the day of the Harrell plea. **Exhibit 41.** The email contained a press release drafted by Richard Quinn, who notes, "Bob, after your edits, I'd suggest we get this out quickly. RQ." Mr. Cook indicated that he approves and that he will forward it to Attorney General Wilson immediately. A few days later, on October 27, 2014 Mr. Quinn wrote two emails to Mr. Cook containing drafts of letters addressed to Solicitor Pascoe, written for the signature of Chief Deputy Attorney General John McIntosh. The first draft contains the statement,

The Attorney General's designation of you as prosecutor was limited solely to the disposition of Mr. Harrell's case and not to any other cases related to or arising out of that one. The Consent Order agreed to by this office, you and Mr. Harrell clearly confirms this specifically limited authority.

**Exhibit 42.** The second letter, written two hours later, replaces this statement with a softer version that provides,

As we agreed, the Office of the Attorney General shall supervise the investigation and prosecution of any possible cases that might arise from any cooperation Mr. Harrell provides under the terms of the plea agreement.

**Exhibit 43.**

Mr. Quinn explained his involvement in the drafting of these materials by indicating that the Attorney General's Office did not have a press liaison on staff, thus they asked Mr. Quinn to help draft statements. However, this assertion is contradicted by the testimony of Adam Piper, who served as the Public Affairs Director during this time. He testified that Mark Powell served as the press secretary for the Attorney General at the time of the Harrell plea. Mr. Quinn's selective memory again failed to provide any useful information regarding why he sent the drafts to Mr. Cook.

Mr. Cook's memory of the drafts was more helpful and shed light on the episode. Mr. Cook testified that Attorney General Wilson solicited Mr. Quinn's assistance in drafting the letters, unbeknownst to Mr. Cook and Mr. McIntosh. He elaborated that the letters were being drafted to articulate the concern within the Attorney General's Office that Solicitor Pascoe would be exceeding the bounds of his grant of authority if he continued to work on the investigation. These letters were initially drafted by Attorney General Wilson. Ultimately, Mr. Cook, Mr. McIntosh, and Attorney General Wilson chose to speak to Solicitor Pascoe over the phone, and the letter was never sent. However, Mr. Cook conceded that Attorney General Wilson should not have included Mr. Quinn in drafting the letter.

The investigation laid dormant between the Bobby Harrell plea on October 23, 2014 and July 2015 while it was under the authority of Mr. McIntosh. On July 17, 2015, SLED Chief Mark Keel received a letter from Mr. McIntosh instructing SLED to proceed with the investigation and forward the results to Solicitor Pascoe for a prosecutorial decision. The Attorney General's Office did not notify Solicitor Pascoe until a week later, on July 24, 2015. This led to the initiation of the instant State Grand Jury investigation by Chief Keel and Solicitor Pascoe on March 18, 2016 and prompted the Attorney General's Office to challenge Solicitor Pascoe's authority to initiate the investigation. The grand jury would later receive evidence demonstrating a battle behind the scenes to discredit Solicitor Pascoe and regain control of the investigation into Rick Quinn and Jimmy Merrill.

On March 28, 2016, the Attorney General's Office transmitted a letter to Solicitor Pascoe purporting to fire him from the case, and on March 30, 2016 Attorney General Wilson held a politically charged press conference attempting to discredit Solicitor Pascoe. In the course of this investigation, the grand jury has received evidence that additional efforts were made behind the scenes by Richard Quinn and others to undermine Solicitor Pascoe and the investigation. [REDACTED]

[REDACTED] Attorney General Wilson was seeking supporters for a gubernatorial run and Bill Stern, a wealthy real estate developer and business partner of the Quinns, cautioned Attorney General Wilson that if he could not get the investigation under control and support his friends, he would not support Wilson. Mr. Stern denied that any such conversation took place. The day prior to the press conference, Richard Quinn drafted press releases discrediting Solicitor Pascoe, and sent the drafts to Bill Stern and Rick Quinn. **Exhibit 44; Exhibit 45.** Attorney General Wilson opted to do the live press conference instead of a written press release, but Mr. Quinn nonetheless

sent a lengthy email to Brian Hicks, a journalist for the Post and Courier newspaper, which contains legal arguments for the Attorney General's authority to remove Solicitor Pascoe. Exhibit 46. Mr. Quinn wrote in the email, "I hope this persuades you that the AG has the authority to reassign the case[.]" In his testimony before the grand jury, Mr. Quinn again claimed to have no knowledge of the email but indicated that he would not have sent it without direction from the Attorney General. Other emails presented to the grand jury demonstrate the effort by [REDACTED] Richard Quinn [REDACTED] [REDACTED]

Following the press conference, on April 1, 2016, Adam Piper—who served as the Attorney General's Public Affairs Director and also received monthly \$500 payments from RQ&A at that time—sent an email to the Chairman of the Republican Party, Matt Moore, asking, "If there is a way for the party to reveal that David Pascoe is Dick Harpootlian's Mini-Me/Sock-Puppet/Clone, it would be beneficial for years to come to the party." Exhibit 47. The email was then forwarded by Mr. Piper to Richard Quinn. During his grand jury testimony, Mr. Piper testified that Richard and Rick Quinn were pressuring him, and he sent the message to Mr. Quinn to demonstrate that he had done it. Copies of the email to Matt Moore fell into the hands of the Post and Courier newspaper, who published an article exposing the attempt to discredit Solicitor Pascoe. Attorney General Wilson denied any knowledge of the emails, stating that Mr. Piper acted alone. Four months later, in August 2016, Mr. Piper received a \$10,000 per year raise from the Attorney General's Office.

Attorney General Alan Wilson voluntarily appeared before the Grand Jury after being notified that the Grand Jury intended to issue a subpoena for his testimony. General Wilson explained that when he first reviewed the contents of the SLED report referencing Rick Quinn and Jimmy Merrill's practice of steering Caucus business to companies that each owned, or had a

financial interest in, he did not disassociate himself from Richard Quinn and RQ&A because the attorneys within his office assured him that this conduct was not illegal. In fact, Solicitor General Robert Cook eventually issued a formal legal opinion stating as much.

Attorney General Wilson also testified that he decided in July 2014 to designate Solicitor Pascoe to continue the Harrell investigation because he and members of his Office believed that he would have been unfairly disqualified from the matter by the then Chief Administrative Judge supervising the Grand Jury. Furthermore, by designating the First Circuit Solicitor's Office as the designated prosecutor, he did not intend to remove his entire office from the matter and pledged assistance to the Solicitor.

On October 1, 2014 Attorney General Wilson received Solicitor Pascoe's email wherein Pascoe suggested that the Attorney General further investigate whether Rick Quinn and Jimmy Merrill's steering Caucus business to their own companies violated the law against using public office for private gain. Upon receiving this email, Attorney General Wilson testified that he "firewalled" himself from any future involvement in the investigation and directed Chief Deputy Attorney General John McIntosh to make all decisions regarding the investigation. Nevertheless, when Attorney General Wilson and members of his staff learned of the Harrell plea agreement and Harrell's obligation to cooperate with Solicitor Pascoe in the continuation of the investigation, Attorney General Wilson became directly involved with the decision to notify Solicitor Pascoe of the limits of his authority under the July, 2014 designation.

On or about October 27, 2014, Attorney General Wilson circulated a draft of a letter to Solicitor Pascoe to Solicitor General Robert Cook and Richard Quinn for their review and comments. This letter, which was never sent to Solicitor Pascoe, was intended to inform Solicitor Pascoe that any cases which might arise from Harrell's cooperation would be handled by the



Attorney General's Office and that his authority was solely limited to enforcing the Harrell plea. Richard Quinn sent two versions of this letter to Cook via email, addressed to Cook's personal Gmail account, rather than to his official scag.com account. Significantly, Quinn changed the author of the letter from Wilson to Chief Deputy Attorney General McIntosh. From this significant change, the grand jury concludes that Richard Quinn was likewise aware that Wilson firewalled himself from the investigation, yet both continued to work together in this effort to maintain control over any future spinoff cases arising from Harrell's cooperation. Ultimately, Attorney General Wilson placed a telephone call to Solicitor Pascoe and both amicably agreed that any future cases arising from Harrell's cooperation would be handled by the Attorney General's Office.

Attorney General Wilson admits that, with the benefit of hindsight, he made a mistake by involving Richard Quinn in the drafting of the Pascoe letters. Wilson stated that he was seeking Quinn's political advice because this was a high-profile case and the letter would likely be publicly disclosed through either a Freedom of Information Act request or otherwise. Wilson also testified he was not intending to protect Richard Quinn or any member of the Quinn family by notifying Solicitor Pascoe of the limits of his designation. Rather, Wilson was protecting the constitutional authority of the Office of Attorney General. Wilson's assertion is supported by Solicitor General Cook's testimony who likewise states that both his and Wilson's goal was to protect the authority of the Office. Cook also testified that he did not know Richard Quinn was also working on the same draft of the letter to Pascoe and that the Quinn versions sent to him were forwarded on to Wilson without any further review by Cook. Attorney General Wilson also denied that he ever shared any information with Mr. Quinn or anyone else that was legally privileged.

In July 2015, Chief Deputy Attorney General McIntosh informed Wilson that SLED was finishing its investigation and that McIntosh thought the best course of action was to send the case

back to Solicitor Pascoe for a prosecutive decision. Wilson testified that he deferred to McIntosh since Wilson had firewalled himself from the matter. Wilson acknowledged that the fact McIntosh requested his permission to send the case to Solicitor Pascoe was inconsistent with a firewall. However, Wilson attributed this request to McIntosh's deference to Wilson's position as Attorney General.

Attorney General Wilson also testified that he first learned that Solicitor Pascoe had initiated a State Grand Jury investigation in March 2016 from Chief Deputy McIntosh while Wilson was away from the office on vacation. Wilson testified the concern he held with McIntosh and Robert Cook was that under the law only the Attorney General could initiate a State grand jury investigation and that any evidence obtained from the investigation would later be excluded. Wilson testified that he instructed McIntosh and Cook to call Solicitor Pascoe to address these concerns. Wilson also testified that he was prepared to ratify Solicitor Pascoe's actions. Wilson testified that he was told by McIntosh that Solicitor Pascoe did not return his call and that instead McIntosh and Cook met with the Chief Administrative Judge to express their concerns about the initiation. Wilson was informed that the Chief Administrative Judge directed them to "work it out" with Solicitor Pascoe.

Attorney General Wilson also testified that the Clerk of the State Grand Jury's refusal to administer the oath to any other individuals from Solicitor Pascoe's office was done independently by the Clerk and that no one in the Office of the Attorney General instructed the Clerk to take this action. As a result of the Clerk's refusal, Solicitor Pascoe filed a lawsuit in the Supreme Court on Good Friday before Easter, seeking an order compelling the Clerk to administer the Oath to members of his office. Solicitor Pascoe did not file this lawsuit under seal, which Attorney General Wilson testified, in his opinion, was a violation of the State Grand Jury Act. The South Carolina

Supreme Court does not share this opinion. See Pascoe v. Parks, S.C. Cup.Ct. Order dated April 14, 2016.

Attorney General Wilson testified that he became extremely upset when the filing of the lawsuit was reported in State newspaper on the Monday after Easter. Attorney General Wilson conducted a press conference where he publicly criticized the actions of Solicitor Pascoe and defended the integrity of the Office of Attorney General. In addition, Chief Deputy McIntosh made the decision to terminate Solicitor Pascoe's designation. Wilson testified that the decision to terminate Solicitor Pascoe was made solely by McIntosh. However, Wilson admits that he suggested that the case be reassigned to Solicitor Dan Johnson, who is a Democrat, in order to avoid an accusation that the re-assignment was politically motivated. Wilson also testified that he proposed in writing to ratify the initiation of the grand jury for Solicitor Johnson. Johnson however refused the appointment until the Supreme Court ruled on the authority of the Office of the Attorney General to terminate Solicitor Pascoe after having been recused.

Attorney General Wilson continued to use the services of Richard Quinn and RQ&A after first learning that Rick Quinn was included in the SLED Report issued in December 2013. Wilson continued using the services of Richard Quinn and RQ&A after receiving Solicitor Pascoe's October 1, 2014 email wherein Pascoe suggested that the Attorney General's Office investigate Rick Quinn and Jimmy Merrill for using their official office for public gain in violation of the law. Wilson continued to use Richard Quinn and RQ&A after he learned that Solicitor Pascoe initiated a grand jury investigation into Rick Quinn's conduct. And, Attorney General Wilson continued to use Richard Quinn and RQ&A after the Supreme Court declared that Attorney General Wilson could not terminate Solicitor Pascoe after the Attorney General's Office had been recused from the investigation.

Wilson's decision to retain Mr. Quinn in light of these events is a matter of great concern to members of the grand jury. Wilson testified that he continued to use RQ&A because of his loyalty to Richard Quinn, who was being abandoned by other clients. The grand jury concludes that Wilson put his loyalty to Richard Quinn above his duty and obligation to the citizens of South Carolina to respect and enforce the State's laws. Indeed, Attorney General Wilson testified that he continues to retain Mr. Quinn's family to provide services to his campaign, although they have since formed a new corporation to do so.

The grand jury further concludes that Attorney General Alan Wilson impeded the investigation into RQ&A, Richard Quinn and his clients. Specifically, following the Harrell plea in October 2014 Wilson limited Solicitor Pascoe's authority to enforcing the terms of the Harrell plea agreement and prevented him from pursuing any other persons who were implicated in the SLED report, including Rick Quinn. From October 2014 until Chief Deputy McIntosh notified SLED Chief Keel to report the results of the investigation to Solicitor Pascoe for a prosecutive decision in July 2015, nothing substantive was done to pursue the investigation because there was no guidance offered by the Attorney General's Office. In addition to this nine-month delay, the Attorney General's Office's challenge to Pascoe's authority, which resulted in litigation in the South Carolina Supreme Court, caused another delay of at least four months.

The investigation suffered as a result of this thirteen-month delay. The statute of limitations ran on a number of potential criminal charges against individuals and entities, including the statute of limitations for federal money laundering and financial structuring to avoid the mandatory bank reporting requirements for cash transactions that exceed \$10,000. In addition, the criminal penalty provision of the State lobbying laws has a four year statute of limitation, which was effectively shortened to less than three years as a result of this delay.

The grand jury is unable to determine based upon the evidence presented whether Attorney General Wilson was motivated in part by a desire to protect Richard Quinn, Rick Quinn and others. Wilson and Solicitor General Cook provided legitimate reasons for their actions. However, the grand jury is very troubled by Attorney General Wilson's involvement of Richard Quinn with drafting correspondence to limit Solicitor Pascoe's authority and his continued reliance upon Mr. Quinn's advice throughout the investigation. This conduct demonstrates poor judgment at best.

Clearly, this entire episode points to the need for the General Assembly to pass a statute directing when the Attorney General must be recused from involvement in an investigation and how the authority of the Attorney General is transferred to another official so that this never happens in the future. Also, there should be funding available from the Attorney General's budget or another source to support the investigation and prosecution of defendants when the matter is transferred outside of the Attorney General's Office as a result of a conflict. The grand jury firmly believes that the burden placed upon the citizens of the First Circuit is unfair.

## **Appendix A - Exhibits**

# Exhibit 1

# SOUTH CAROLINA LAW ENFORCEMENT DIVISION

NIKKI R. HALEY  
*Governor*



MARK A. KEEL  
*Chief*

December 5, 2013

## INVESTIGATIVE REPORT

**TO:** File 32-13-0019

**FROM:** Lieutenant Kevin W. Baker  
Lieutenant Michael Greene  
Lieutenant Brian Bolchoz  
Senior Special Agent David Williams

**RE:** Public Corruption / Official Misconduct

Robert W. Harrell, Jr. (subject)  
State of South Carolina (victim)

**COUNTY:** Richland

### Introduction

On February 14, 2013, the South Carolina Law Enforcement Division (SLED) received a letter of request (Attachment 1) from Chief Deputy Attorney General John W. McIntosh with the SC Office of the Attorney General (OAG) to conduct a preliminary criminal inquiry involving the Speaker of the SC House of Representatives, Robert W. "Bobby" Harrell. The OAG requested an inquiry based on a letter of complaint (Attachment 2) from E. Ashley Landess, which questioned Speaker Harrell's conduct. On February 19, 2013, SLED Captain (Capt.) T. Robertson assigned Lieutenant (Lt.) Kevin W. Baker to conduct an investigation.



An Accredited Law Enforcement Agency

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**Summary**

Lt. Baker, along with SLED Lt. Michael Greene, Lt. Brian Bolchoz, and SS/A David Williams, reviewed the complaint from E. Ashley Landess, President of the South Carolina Policy Council (SCPC). Her complaint states, "The South Carolina Policy Council ("SCPC") – along with multiple citizens, organizations and South Carolina journalists – has publicly raised serious, valid and documented concerns that the Speaker of the House Robert Harrell, Jr. has engaged and may continue to engage in an ongoing pattern of abuse of power that appears to violate multiple South Carolina ethics laws."

Landess listed the following concerning:

1. "If Robert Harrell used his office for his own financial benefit and that of his family business, he may have violated South Carolina law."
2. "Robert Harrell seems to have broken the law by using campaign funds for personal purposes."
3. "Robert Harrell's appointment of his brother to a position on the Judicial Merit Selection Commission seems to be against South Carolina law."
4. "Robert Harrell has publicly stated that he failed to maintain certain records to document his expenditures. State law requires candidates to maintain such records for four years."
5. "Robert Harrell did not adequately itemize reimbursements to himself from his campaign account as the law requires."

Landess based her complaints on SC Code of Laws Title 8 Chapter 13, which covers Ethics, Government Accountability, and Campaign Reform.

In Memorandums of Interview (MOIs) (Attachment 3) conducted by SLED Agents, Landess also voiced concerns over Speaker Harrell's connection to and possible benefit from the Palmetto Leadership Council (PLC), a non-candidate committee or Political Action Committee (PAC), based in SC.

Upon examination of these complaints, SLED Agents conducted interviews, collected documents, reviewed records, and prepared MOIs in relation to this investigation. Due to the

complex and detailed information involved in this investigation, the topics under investigation will be discussed in the following sections:

- Section 1: Speaker Harrell's appointment of his brother, John Davis Harrell, to the Judicial Merit Selection Commission (JMSC)
- Section 2: Speaker Harrell's contact with the SC Board of Pharmacy concerning his personal business, Palmetto State Pharmaceuticals
- Section 3: Speaker Harrell's documentation of campaign fund usage
- Section 4: Speaker Harrell's campaign reimbursements for use of his personal aircraft
- Section 5: Speaker Harrell's campaign fund usage
- Section 6: Speaker Harrell's association with the Palmetto Leadership Council (PLC)
- Section 7: PLC's association with the House Republican Caucus Committee

### **Section 1:**

#### **Speaker Harrell's appointment of his brother, John Harrell, to the JMSC**

In Landess' complaint filed with the OAG, she referenced § 8-13-750. SECTION 8 13 750: "No public official, public member, or public employee may cause the employment, appointment, promotion, transfer, or advancement of a family member to a state or local office or position in which the public official, public member, or public employee supervises or manages."

The investigation revealed the following information:

- Robert W. Harrell has been the Speaker of the SC House of Representatives since 2006.
- SC Code of Laws § 2-19-10 defines the JMSC's appointments, qualifications and term. Section 2-19-10 states that the JMSC is composed of ten members, of which five are appointed by the Speaker of the House. Of these five, three members must be serving members of the General Assembly, and two members must be selected from the general public. "The term of office of a member of the commission who is not a member of the General Assembly shall be for four years subject to a right of removal at any time by the person appointing him, and until his successor is appointed and qualifies."

- In a memorandum (Attachment 4) dated March 15, 2007, Jane O. Shuler, Chief Counsel of the JMSC, announced "that on March 9, 2007, the Speaker of the House, Bobby Harrell, appointed attorneys John Davis Harrell of Charleston and Donald H. Sellers of Greenville to the Commission as the public members."
- In letters (Attachment 5) dated July 19, 2007, and February 20, 2008, to Secretary of State Mark Hammond, Shuler listed John Davis Harrell as a member of the JMSC.
- On August 13, 2013, Lt. Baker and Lt. Bolchoz interviewed Speaker Harrell and an MOI (Attachment 6) was prepared, which provided the following information: Speaker Harrell did appoint his brother to the JMSC. When he appointed his brother, he was aware of SC Code § 8-13-750. He does not believe he supervises or manages his brother's position on the JMSC. He believes the Chairman of the JMSC oversees the management of commission members. He could not remember who has the authority to discipline JMSC members.
- Former JMSC Chairman F. G. "Greg" Delleney, Jr. provided Speaker Harrell with a letter (Attachment 7) which provided the following information: he has "never been supervised or managed by the Speaker of the House. In fact, the Chairman supervises and manages the Commission." Delleney did note that the Speaker appoints the House members of the JMSC.

## **Section 2:**

### **Speaker Harrell's contact with the SC Board of Pharmacy concerning his personal business, Palmetto State Pharmaceuticals (PSP)**

In the SCPC complaint (Ref. Att. 2) filed with the OAG, Landess referenced SC Code § 8-13-700, which states that a public official cannot use their position in office for financial gain. She specifically discussed the following instances: Speaker Harrell's input in the application process for PSP at the SC Board of Pharmacy (BOP), a Division of the SC Department of Labor, Licensing, and Regulation (LLR); and his letter to SC hospitals soliciting business for PSP which referenced his position as Speaker of the House.

The investigation revealed the following information:

1. Speaker Harrell's input in the application process for PSP at the SC Board of Pharmacy.

Documents in the SCPC Complaint (Ref Att 2) contained the following points:

- PSP's application for a "New non-dispensing Drug Outlet Permit Application" was sent using an "Office of the Speaker" SC House of Representatives envelope.
- On the envelope, a handwritten note stating, "May 2, 2006, We would appreciate your urgent attention to this request. Bobby Harrell"
- The application was sent by FedEx and was marked received by the SC Board of Pharmacy on May 3, 2006.
- The "Date of Expected Opening" on the application was listed as May 15, 2006.
- At the bottom of the application, it states, "Your completed application along with the \$200.00 new permit fee must be received in the Board office at least forty-five (45) days before the required permit is needed."
- A handwritten note from BOP employee, Sheila Young, to BOP employee, Clelia Sanders, states, "Monte Templeton, the R.Ph will be in contact with you about this facility. It needs to be done ASAP after Monte calls, per Mr. Bryant because this is the speaker of the house. SY."
- Emails between Board of Pharmacy employees suggested Speaker Harrell and his staff were upset with the time it was taking to get the permit.
- Speaker Harrell held a meeting in his House Office with BOP employees, Lee Ann Bundrick and Clelia Sanders, and BOP Chairman Robert Bradham was in attendance by telephone. This meeting was held to discuss the application process.

On June 3, 2013, Don Hottel, former Chief of Staff for Speaker Harrell, was interviewed and an MOI (Attachment 8) was prepared, which provided the following information: Hottel called employees at the BOP to find out what steps needed to be taken by Speaker Harrell's company to get their permit like any other business. This call was made at the request of Speaker Harrell.

Hottel made this call as he would for any other constituent or citizen of the State. He did not remember the name of the person he spoke with at LLR and was not upset with them. He did not ask for any special privileges because the business belonged to the Speaker. He asked the person, "for any other business, what is the next step?"

In Speaker Harrell's interview (Ref Att 6), he provided the following information: Speaker Harrell did speak with employees at the BOP about PSP. He believed he spoke to the Executive Director of the BOP, to Sharon Dantzler (BOP attorney), and to Bobby Bradham, who was the 1<sup>st</sup> Congressional District member on the BOP. He called them to find out what the process was to license a company like PSP. He did not ask anyone at the BOP to give special treatment to PSP's application process. He did not use his position as Speaker of the House to influence employees or members of the BOP in their decisions on the PSP application process, and he did not use his public office to influence the BOP employees or members to gain an economic interest for PSP. Speaker Harrell does not remember if he had a meeting with BOP employees at his office on State House grounds. When asked if the PSP application was moved in front of other applications at the BOP at his request, Speaker Harrell responded, "I don't think so."

On March 5, 2013, Lt. Baker and Lt. Greene interviewed Lee Ann Bundrick, Administrator of the SC BOP, and prepared an MOI (Attachment 9), which provided the following information: Chairman Bradham set up the meeting. She, along with LLR employee Clelia Sanders, went to the Speaker's Office at the State House, and she, Sanders, and the Speaker had a telephone conference with Chairman Bradham. The Speaker asked about the required paperwork from the US Food & Drug Administration (FDA) and other operational-type questions concerning the business. She did not consider this meeting unusual. She had, in the past, met with individuals (owners, pharmacists, managers) from other companies trying to get questions answered about the application and inspection process. She did not believe the application or the inspection process for PSP was handled any differently than any other case. She did not believe it was sped up or handled any differently because the owner was the Speaker of the House, Bobby Harrell.

On April 18, 2013, Lt. Brian Bolchoz and SS/A David Williams interviewed Clelia Sanders and prepared an MOI (Attachment 10), which provided the following information: she was assigned

as the inspector handling PSP's application process. PSP applied for a "non-dispensing drug outlet permit" as a drug repackaging company. Because of this type of business, PSP was told the company would need a US FDA registration and that no SC permits or licenses could be issued until the FDA registration was obtained. At her first inspection of PSP, she met with Speaker Harrell, David Grimm, the Speaker's son (Trey Harrell), and Monte Templeton, the pharmacist consultant. She explained the process to them and what needed to be done. After the inspection, she received several calls from the Speaker and Grimm on the status of the process. She provided them with information on what else needed to be done or she advised them to submit, in writing, verification of the things accomplished. Eventually, she stopped taking the calls.

Sanders remembered attending a meeting in Speaker Harrell's office on the State House grounds. Bundrick was with her at the meeting and Bradham was conferenced into the meeting by telephone. Sanders had spoken to owners and to high-level employees of companies by telephone before but she had never been in a face-to-face meeting with an owner. She thought it was very unusual. Speaker Harrell told them that he was very busy, so this is why he held the meeting in his office rather than somewhere else. He had several statutes from the SC Code of Laws that he had printed and was questioning every statute and why the process had to be handled the way it was being done. Speaker Harrell had a big issue with the physician dispensing law. Sanders explained why things had to be done the way they were and told him there was no way to go around the laws as they were written.

Sanders did remember seeing the note from BOP Compliance Officer Sheila Young. She did not remember being handed the note and believed it was left in her box. She was never given specific instructions by anyone to handle the PSP application any differently than any other application. She always handled applications in the order she received them, and she never moved anyone to the top of the list.

On April 8, 2013, Lt. Brian Bolchoz and SS/A David Williams interviewed Robert "Bobby" Bradham, former Chairman of the SC BOP, and prepared an MOI (Attachment 11), which provided the following information: he received a call from Speaker Harrell about PSP and later

was on a conference call with Speaker Harrell, Lee Ann Bundrick, and someone else he could not remember. Speaker Harrell had questions about the application process and the need for a license from the US FDA. Speaker Harrell and PSP complied with every aspect of the inspection, licensing, and permitting process. There was never any pressure or influence on the BOP, by anyone from LLR, Speaker Harrell, or anyone else, to handle the PSP permit and licensing request any differently than any other request.

After the meeting with Speaker Harrell, Bradham did send an email to Bundrick in which he expressed his concern that the application for PSP was being handled differently because the business belonged to Speaker Harrell. This was his personal opinion, and he based this on the fact that he had never met with a business owner during his time on the BOP. The meeting with Speaker Harrell was unusual and made the situation different as far as he was concerned.

On March 6, 2013, Lt. Baker and Lt. Greene interviewed Randall Bryant, a former Deputy Director at LLR, and prepared an MOI (Attachment 12), which provided the following information: Bryant was shown the handwritten note from Young to Sanders. Bryant never saw this note before, and he did not remember a telephone call with Young. However, he may have called her about it and not remembered. He indicated that he would have paid attention to a request from the Speaker to make sure it was assigned and being handled. He would not put the Speaker's permit application ahead of anyone else's application. Furthermore, he would not condone anybody putting a case like this ahead of another case. Neither the Speaker nor anyone from the Speaker's Office called or contacted Bryant for any preferential treatment.

On April 3, 2013, Lt. Baker and Capt. Robertson interviewed Sheila Young, former Compliance Manager at BOP, and prepared an MOI (Attachment 13), which provided the following information: Young was shown a handwritten note. She advised the note was in her handwriting, and she recalled that she had a conversation with Randy Bryant, Assistant Deputy Director of LLR, in which he told her to get this inspection done ASAP because it was Speaker Harrell's company. Bryant did not say he had spoken with Speaker Harrell or anyone from his office, but Bryant did tell her to get it done as soon as possible. He wanted it done ASAP because the company belonged to Speaker Harrell.

She never spoke to Speaker Harrell or anyone from his staff about the inspection. She did not speak with anyone from the House of Representatives concerning the inspection. The inspection process for PSP did receive faster service because her supervisor, Randy Bryant, requested it be done "ASAP", and not because she received any special requests from Speaker Harrell or his office.

Young pointed out that even though the inspection received faster service, it did not receive any leniency on passing the inspection process. If there had been an issue with the inspection, the issue would have had to be corrected before the company passed inspection just like any other company.

## 2. Speaker Harrell's solicitation letter to SC hospitals

Documents in the SCPC Complaint (Ref Att 2) contained the following points:

- Speaker Harrell sent a letter to SC hospitals to solicit business for PSP.
- Speaker Harrell mentioned his position as Speaker of the SC House of Representatives.
- Hospital administrators contacted the BOP about their concerns regarding the letter.
- LLR Attorney Sharon Dantzler advised the BOP not to give advice on the letter, because Speaker Harrell's letter had not violated any laws.
- The BOP did not take up the matter.

In Speaker Harrell's interview (Ref Att 6), he provided the following information: Speaker Harrell did send a solicitation letter to different SC hospitals seeking business for PSP. He mentioned, in the letter, his position as Speaker of the SC House of Representatives only to make sure that the hospitals knew he was contacting them as a private business owner and not in his official capacity as Speaker of the House. He knew that his name alone was associated with being the Speaker of the House, so he felt he should make it clear that he was sending the letter as a private businessman and not as Speaker.



### **Section 3:**

#### **Speaker Harrell's documentation of campaign fund usage**

In the SCPC complaint filed with the OAG, Landess addressed the following issues regarding Speaker Harrell's documentation of campaign fund usage: "Robert Harrell has publicly stated that he failed to maintain certain records to document his expenditures. State law requires candidates to maintain such records for four years"; "Robert Harrell did not adequately itemize reimbursements to himself from his campaign account as the law requires."

SC Code of Laws § 8-13-1302(B) states, "The candidate, committee, or ballot measure committee must maintain and preserve all receipted bills and accounts required by this article for four years."

SC Code of Laws § 8-13-1360(A)(8) states, "... Credit card expenses and candidate reimbursements must be itemized so that the purpose and recipient of the expenditure are identified".

The investigation revealed the following information:

- Speaker Harrell provided SLED with a copy of his Campaign Books (Attachment 14) containing expenditure information from February 2009 through December 2012.
- Speaker Harrell provided SLED with a copy of his letters, with documentation, (Attachment 15) to the SC House Ethics Committee in which he referenced nine expenditures that he changed. Speaker Harrell reduced the amount of these nine expenditures and reimbursed the amount of \$22,955.41 to his campaign account.
- Upon reviewing Speaker Harrell's Campaign Books, which contained a printout of his expenditures listed on the SC Ethics Commission's website, the total number of expenditures made over the dates listed above was 1,054.
- Further review of those records revealed that 285 of the 1,054 expenditures did not contain receipted bills or invoices from the specific recipient of the expenditure. However, the 285 expenditures without a receipted bill or invoice did have some type of explanation provided by Speaker Harrell for the expenditure. The explanations included,

but are not limited to handwritten notes; typed statements; and personal credit card statements, which were redacted. See examples (Attachment 16) for details.

#### **Section 4:**

##### **Speaker Harrell's campaign reimbursements for use of his personal aircraft**

In the SCPC complaint filed with the OAG, Landess addressed the following issues regarding Speaker Harrell's campaign reimbursements for use of his personal aircraft: "Robert Harrell seems to have broken the law by using campaign funds for personal purposes."

SC Code of Laws § 8-13-1348(A) deals with the use of campaign funds for personal use and states, "No candidate, committee, public official, or political party may use campaign funds to defray personal expenses which are unrelated to the campaign or the office if the candidate is an officeholder nor may these funds be converted to personal use. The prohibition of this subsection does not extend to the incidental personal use of campaign materials or equipment nor to an expenditure used to defray any ordinary expenses incurred in connection with an individual's duties as a holder of elective office."

The investigation revealed the following information:

##### **1. Ownership of the Cirrus SR22 aircraft**

- Speaker Harrell advised (Ref Att 6) that he did reimburse himself for use of his personal aircraft, a Cirrus SR22, for campaign and office related travel. He did not charge a pilot's fee for operating his aircraft. The Cirrus SR22 is registered to Pierpont Air, LLC, which is a company owned by Speaker Harrell. The only asset of Pierpont Air, LLC, is the Cirrus SR22.
- According to the SC Secretary of State website, the business filing for Pierpont Air, LLC, was reserved by Speaker Harrell in 2004, but the listed registered agent for Pierpont Air, LLC, is John D. Harrell, Esq., Speaker Harrell's brother.

- The Federal Aviation Administration (FAA) indicates that the aircraft with FAA registration Number N749CD is a 2001 Cirrus SR22 and is registered to Pierpont Air, LLC.

## 2. Aircraft Expenses

- Speaker Harrell provided documentation (Attachment 17) which indicated how he determined the cost per flight hour to operate his 2001 Cirrus SR22 aircraft. This documentation included the following items: fuel, oil, and oil change; engine and prop reserves; insurance; maintenance; property taxes; data cartridge updates; interest expense; airplane hangar fee; depreciation expense. Speaker Harrell did not provide receipts or invoices for the expenses he listed above. According to Speaker Harrell's calculations, his cost per hour to operate between 2008 and 2011 was \$813.84. Further documentation provided by Speaker Harrell indicated that a flight from Charleston to Columbia in a leased aircraft from the company Image Air would cost \$706.25 per hour. The Image Air cost per hour included a pilot's salary.
- Speaker Harrell decided (Ref Att 6) to charge his campaign \$615.00 per hour to operate his Cirrus SR22 Aircraft, because he wanted to make sure that he was charging less than what it would actually cost to operate his aircraft, if anyone asked.
- Speaker Harrell's documentation (Ref Att 17) indicates the direct operating cost (fuel, oil, oil change, engine and prop reserves) per hour of his aircraft is \$111.55.
- The fixed operating cost of an aircraft would include: inspections; (some) maintenance; data updates (avionics); property taxes; insurance; interest expense; airplane hangar fee; depreciation expense. The fixed operating costs of an aircraft exist for an owner whether the aircraft is being flown or not, if the aircraft is intended for use.
- Speaker Harrell includes fixed operating costs in the total operating cost of his aircraft.

### 3. Reimbursements

- According to documentation (Attachment 18) provided by Speaker Harrell, he reimbursed himself six times for airplane expenses for a total of \$93,958.50 between 2009 and 2012. He provided detailed flight logs for five of these expenses. When asked about the sixth flight log, Regina Keene (Assistant to Speaker Harrell) told Lt. Bolchoz that this flight log was outside the four-year requirement for recordkeeping and was not available.
- The expenditure on January 12, 2009, of \$21,825.00 was listed as an airplane reimbursement. Due to the fact this expenditure was outside the four year requirement for recordkeeping, the flight log was not available.
- The expenditure on June 3, 2009, of \$22,008.00 involved "35 Legs" (flights) totaling 35.7 flight hours. Speaker Harrell documented the expenditure with the following: 35.7 hours at the rate of \$615.00 per hour is \$21,955.50 with a miscellaneous amount of \$52.50. These "35 Legs" combined for a total of 16 trips. Of these 16 trips, ten trips were to Columbia from Charleston and back for General Assembly business. Two other trips were for funerals, and one trip was for "Freshmen orientation" and "Hardwick". A trip made to Greenville to speak to the "Greenville First Monday Club", and a trip made to Miami for the NSC Executive Committee meeting. On March 18, 2009, Speaker Harrell flew to Fort Lauderdale, FL, for a baseball tournament involving a local high school. He took three constituents with him, to include the coach's wife and siblings of two players. When asked if he considered the Ft. Lauderdale trip to be an ordinary expense incurred in connection with the duties of his office, he replied, "Yes." When he was asked for an itinerary for this trip and asked what public business was conducted on this trip, he replied, "Going to Florida was a see and be seen trip with my constituents. The majority of the time was spent at the stadium and I do not have an itinerary." (Attachment 19)
- The expenditure on November 24, 2009, of \$12,248.50 involved "19 Legs" totaling 19.9 flight hours. Speaker Harrell documented the expenditure with the following: 19.9 hours at the rate of \$615.00 per hour is \$12,238.5 and a miscellaneous amount of \$10.00. These "19 Legs" combined for a total of nine

trips. Of these nine trips, three trips were to Columbia from Charleston and back for General Assembly business. On a trip between September 11, and September 12, 2009, Speaker Harrell documented that he flew from Charleston to Atlanta and then to Athens and back to Charleston. This trip was for a meeting with the "Georgia Gov, Speaker and Pres of UGA to talk about Vet School".

- The expenditure on January 6, 2010, of \$8,092.32 involved "12 Legs" totaling 10.2 flight hours and a trip using Jones Air to travel to a "NSC" meeting. Speaker Harrell documented the expenditure with the following: 10.2 hours at the rate of \$615.00 per hour is \$6,273.00; a Jones Air Flight expense of \$1,804.32; a miscellaneous amount of \$15.00. These "12 Legs" combined for a total of six trips. Of these six trips, five trips were to Columbia from Charleston and back for General Assembly business. One trip was to Greenville to speak at the "First Monday Club". The Jones Air Flight was for an expense involving a NSC meeting.
- The expenditure on July 7, 2010, of \$14,279.00 involved "21 Legs" totaling 23.2 flight hours. Speaker Harrell documented the expenditure with the following: 23.2 hours at the rate of \$615.00 per hour is \$14,268.00 and a miscellaneous amount of \$11.00. These "21 Legs" combined for a total of ten trips. Of these ten trips, seven trips were to Columbia from Charleston and back for General Assembly business. The other three trips involved the following: "Clemson visit"; "Hamilton"; "Ribbon cutting MYR General Aviation Airport".
- The expenditure on May 27, 2011, of \$17,325.00 involved "30 Legs" totaling 26.4 flight hours. Speaker Harrell documented the expenditure with the following: 26.4 hours at the rate of \$655.00 per hour is \$17,292.00 and a miscellaneous amount of \$32.00. These "30 Legs" combined for a total of fourteen trips. Of these fourteen trips, five trips were to Columbia from Charleston and back for General Assembly business. The other nine trips involved the following: "Parker"; "Allison"; "Springer"; "Duncan"; "Mulvaney"; "Lexington GOP"; "Visit ICAR"; "Visit with Business"; "Mtg with CEOs and Graham".

Further review of the facts surrounding Speaker Harrell's airplane reimbursements revealed the following:

- Speaker Harrell paid reimbursements for his aircraft in 2009, 2010, and 2011 based on a formula which uses 2008 through 2011 information.
- Of the five airplane expenditures for which Speaker Harrell provided an explanation, four expenditures used the amount of \$615.00 per hour, and one used \$655.00 per hour. He provided no explanation for the difference in the two amounts used.
- All five airplane expenditures resulted in a miscellaneous amount left over. The calculation should not result in a miscellaneous amount.
- Speaker Harrell produced specific figures for his fixed operating cost, but he did not produce paperwork showing how he produced these figures. The amount of property taxes paid on the aircraft between 2008 and 2011, was checked. Speaker Harrell provided the amount of \$19,496.72 as the Charleston County property taxes paid on the Cirrus SR22. The Charleston County tax office receipts (Attachment 20) showed the amount of \$18,798.72 was paid for taxes between 2008 and 2011, with an additional amount of \$1,070.05 as a local option sales tax credit.
- According to Speaker Harrell's response to questions (Ref Att 19), he deducted airplane expenses from his income taxes. In his ongoing cooperation with this investigation, Speaker Harrell allowed the OAG and SLED to review his 2009-2012 federal and state tax returns at the office of his attorney, Gedney M. Howe, III. As of this report, the OAG is still evaluating this information.

## **Section 5:**

### **Speaker Harrell's campaign fund usage**

In the SCPC complaint filed with the OAG, Landess addressed the following issues regarding Speaker Harrell's campaign fund usage: "Robert Harrell seems to have broken the law by using campaign funds for personal purposes."

In reviewing Speaker Harrell's expenditures between 2009 and 2012, SLED Agents referenced the State Ethics Commission website for documented expenditures during that time frame. According to the website, between 2009 and 2012, Speaker Harrell's campaign account listed 1,057 expenditures totaling \$1,005,305.65 spent. Of this amount and during the same period, Speaker Harrell reimbursed himself \$294,335.22 for expenses. Of these expenses, \$93,958.50 was reimbursed for use of his personal aircraft with a listed explanation of legislative travel as the reason for the expense. Another \$96,381.46 was spent for other legislative travel, and an amount of \$70,286.46 was reimbursed for his Administrative Assistant's salary in Charleston, SC, Regina Keene. According to the Harrell's campaign books (Ref Att 14), Keene, who is employed by Speaker Harrell's State Farm business, spent 70 percent of her time on campaign or SC House related business, so Speaker Harrell reimbursed himself 60 percent of Keene's salary from his campaign fund. These three categories accounted for \$260,626.42 of the monies Speaker Harrell reimbursed to himself.

After reviewing the campaign books provided by Speaker Harrell concerning these expenditures, Lt. Bolchoz and Lt. Baker questioned the Speaker about his documentation. Lt. Bolchoz provided spreadsheets (Attachment 21) that listed expenditures and asked for additional information. See spreadsheets for details. A large number of the reimbursements questioned by Lt. Bolchoz and Lt. Baker concerned travel reimbursements for Speaker Harrell, his family, and his staff. The following are a few of the reimbursements discussed:

A trip to Ft. Lauderdale, FL, between March 18, and March 21, 2009, was listed as part of the airplane expenditure on June 3, 2009, for \$22,008.00. Speaker Harrell logged the flight time on this trip as 6.3 hours at \$615.00 an hour for a total of \$3,874.50. He flew constituents to a baseball tournament in Florida and said the trip was to see and be seen by his constituents.

August 15-19, 2009, Speaker Harrell attended the 63<sup>rd</sup> annual meeting of the Southern Legislative Conference (SLC) in Winston-Salem, NC. The trip was paid for out of the campaign account in at least three different expenditures.

A March 29, 2010, expenditure of \$954.81 paid for the travel of Gregory Foster and Ashley Foster to an SLC fund raising event in Washington, D.C. Gregory Foster is the communications director for Speaker Harrell, and Ashley Foster is Gregory's wife. This expenditure was paid out of the campaign account.

A July 28, 2010, expenditure of \$19,273.63 paid for three different trips, which are as follows: the 2010 National Speakers Conference (NSC) Annual meeting in Annapolis, MD, June 16-20, 2010; a trip to the Wizarding World of Harry Potter in Orlando, FL, June 17-19, 2010; and the 2010 State Legislative Leaders Foundation (SLLF) International Program in Dublin, Ireland, August 17-20, 2010. On September 19, 2012, Speaker Harrell changed the amount of this expenditure to \$14,224.96 in his letter to the House Ethics Committee.

- NSC meeting in Annapolis, MD – Speaker Harrell is a member of the NSC and believes it is an ordinary expense of his office to attend these events. The dates of this trip coincide with the trip below to Orlando, FL.
- Wizarding World of Harry Potter – Speaker Harrell provided a copy of an invitation (Attachment 22) to the opening of the Wizarding World of Harry Potter at Universal Studios in Orlando, FL, as his itinerary for this trip. The invitation was for June 17, 2010, from 8:00 PM to 11:00 PM and did not indicate for whom the invitation was addressed. Speaker Harrell also advised that he went on the trip to meet “with film company executives in regard to film legislation that was under consideration.” His wife traveled with him. He did not provide any documentation indicating who the film company executives were or where and when the meeting took place.
- SLLF International Program in Dublin, Ireland – Speaker Harrell was the President of the NSC when he attended this event. His wife traveled with him. He provided the following explanation: “This was paid from the campaign account in lieu of these expenses being paid with state funds.”

Speaker Harrell also listed trips for conferences or committee meetings to the following locations: Sea Island, GA (NSC October 21-25, 2009); Key Biscayne, FL (NSC January, 15-17-2010); Washington, DC (NSC January 13-15, 2011); Kiawah Island, SC (NSC February 4-6,



2011); Charleston, SC (NSC September 7-11, 2011); University of Massachusetts (SLLF September 30 through October 3, 2010); San Francisco, CA (NSC January 27-29, 2012); Anchorage, Alaska (NSC August 19-23, 2012).

In documentation (Ref Att 19) provided by Speaker Harrell, he referenced § 8-13-1348(A) and (B):

(A) No candidate, committee, public official, or political party may use campaign funds to defray personal expenses which are unrelated to the campaign or the office if the candidate is an officeholder nor may these funds be converted to personal use. The prohibition of this subsection does not extend to the incidental personal use of campaign materials or equipment nor to an expenditure used to defray any ordinary expenses incurred in connection with an individual's duties as a holder of elective office.

(B) The payment of reasonable and necessary travel expenses or for food or beverages consumed by the candidate or members of his immediate family while at, and in connection with, a political event are permitted.

Speaker Harrell provided this as an explanation for his reimbursement of travel with or without his family and for Greg Foster's travel as a member of his staff.

In an interview (Attachment 23), Greg Foster advised that Speaker Harrell was allowed by state law to use campaign funds to pay for travel by his staff as an ordinary expense of his office. This allowed the Speaker to use campaign funds instead of state funds for his staff's travel expenses. Some of the trips he made with the Speaker were to meetings concerning the Southern Legislative Conference (SLC). Their goal in attending these meetings was to get Speaker Harrell elected to the position of chairman or president. As chairman or president, Speaker Harrell could hold the conference in South Carolina, which would produce an economic benefit for the state. Foster gave the example of the SLC that was held in Charleston, SC, which hosted some 3000 people. According to Foster, a College of Charleston Economic Impact statement suggested the conference generated tens of millions of dollars for the state.

In Speaker Harrell's letters (Ref Att 15) to the House Ethics Committee, he provided the committee with revised amounts for nine expenditures. He reimbursed his campaign account \$22,955.41 because he did not have documentation for, all of, or some part of, the nine expenditures. In his campaign books (Ref Att 14) concerning the nine expenditures, the Speaker used copies of American Express (AmEx) Credit Card statements as justification for the expenses. These AmEx statements were limited in information by redaction and the number of pages provided. SLED Agents requested the original un-redacted versions of the AmEx credit card statements for two AmEx accounts and one BB&T credit card account. Agents were initially provided with a portion of the statements for AmEx account ending in 4-64006. Agents reviewed the statements and found discrepancies in four of the nine expenditures. They are as follows: the December 1, 2009, expenditure for \$2,980.74; the July 28, 2010, expenditure for \$19,273.63; the October 15, 2010, expenditure for \$2,591.56; and the January 7, 2011, expenditure for \$4,241.46.

The details concerning these expenditures are:

1. December 1, 2009, expenditure for \$2,980.74
  - Speaker Harrell, in his second interview (Attachment 24), advised he signified campaign expenses on his personal credit card statements by making a mark by the charge.
  - On December 1, 2009, Speaker Harrell signed a check made out to him for \$2,980.74.
  - In 2012, Speaker Harrell did a self-review of his campaign expenses and revised the amount of this expenditure to \$2,148.25.
  - On September 19, 2012, Speaker Harrell sent a signed letter to the House Ethics Committee in part stating, "This action is being taken because of the misplacement of the necessary supporting documentation and receipts related to specific campaign expenditures from my campaign account. While I am confident that these expenses are legitimate campaign expenditures, I am cognizant of Section 8-13-1302(B) of the South Carolina Code that requires a candidate 'maintain and preserve all receipted bills and accounts required by this article for four years'."

- On September 17, 2013, SLED Agents obtained the original AmEx credit card statements from Speaker Harrell.
- The un-redacted AmEx statement with the closing date of November 5, 2009, had marks made by charges which Speaker Harrell had advised he used to denote campaign expenses.
- The sum of these charges with marks made by them is \$2,980.74.
- The \$2,980.74 was paid to Speaker Harrell with campaign check # 1880.
- When the un-redacted statement was compared to the campaign book statement, the comparison indicated that the following items were removed from the original expenditure: Cindy's Backstreet Kitchen, St. Helena, CA (\$100.14); Scala-Bar Drake, San Francisco, CA (\$173.54); Bodega Bay (\$151.92); National Car rental, San Francisco, CA (\$227.67); Parc 55 Hotel, San Francisco, CA (\$317.40). These amounts total \$970.67.
- The original AmEx statement with the closing date of November 15, 2009, would indicate that Speaker Harrell does possess documentation on how the \$2,980.74 was spent, despite his letter to the House Ethics Committee.
- When asked about these documented purchases, Speaker Harrell advised that the original AmEx statements were working copies, but the information he provided in 2012 is the actual campaign cost. Therefore, he corrected the amount of this expenditure to \$2,148.25.
- A spreadsheet produced by Lt. Baker, along with supporting documentation, (Attachment 25) would indicate that items were removed from the original expenditure and different items were added to change the amount of the expenditure.
- When asked if any of the money spent on the original nine expenditures was for personal use, Speaker Harrell said no.

2. July 28, 2010, expenditure for \$19,273.63

- Speaker Harrell, in his interview (Ref Att 24), advised he signified campaign expenses on his personal credit card statements by making a mark by the charge.

- On July 28, 2010, Speaker Harrell signed a check made out to him for \$19,273.63.
- In 2012, Speaker Harrell did a self-review of his campaign expenses and revised the amount of this expenditure to \$14,224.96.
- On September 19, 2012, Speaker Harrell sent a signed letter to the House Ethics Committee in part stating, "This action is being taken because of the misplacement of the necessary supporting documentation and receipts related to specific campaign expenditures from my campaign account. While I am confident that these expenses are legitimate campaign expenditures, I am cognizant of Section 8-13-1302(B) of the South Carolina Code that requires a candidate 'maintain and preserve all receipted bills and accounts required by this article for four years'."
- In 2013, SLED Agents obtained the original AmEx credit card statements from Speaker Harrell.
- The original/un-redacted AmEx statement with the closing date of July 16, 2010, has the amount of \$19,273.63 handwritten at the top of the statement. Speaker Harrell advised he wrote this amount at the top of the statement in 2012, when he was doing his review of the campaign account.
- The original statement also shows marks made by charges which Speaker Harrell has advised he used to denote campaign expenses.
- The sum of the charges with marks made by them is \$20,924.83.
- The \$20,924.83 was paid to Speaker Harrell with campaign check # 2049 for \$19,273.63 and check # 2051 for \$1,651.20.
- Check # 2051, according to Speaker Harrell's Campaign Book for 3<sup>rd</sup> Quarter 2010, paid for two purchases, at the Apple Webstore Austin, of \$1,567.35 and \$83.85, respectively. These purchases were marked on the original AmEx statement with the closing date of July 16, 2010.
- The remaining items marked on the original statement total \$19,273.63.
- When the un-redacted statement was compared to the campaign book statement, the comparison indicated that the following items were removed from the original expenditure: three purchases at the Wizarding World of Harry Potter in

Orlando, FL (\$339.75); one purchase at Gemco Aviation Service, North Lima, OH (\$827.28); six purchases for a trip to Martha's Vineyard for Speaker Harrell, Catherine Harrell, and Charlotte Harrell (\$3,880.14); and a PayPal purchase (\$3,759.50). These amounts total \$8,806.67.

- The original AmEx statement with the closing date of July 16, 2010, would indicate that Speaker Harrell does possess documentation on how the \$19,273.63 was spent, despite his letter to the House Ethics Committee.
- When asked about these documented purchases, Speaker Harrell advised that the original AmEx statements were working copies, but the information he provided in 2012 is the actual campaign cost. Therefore, he corrected the amount of this expenditure to \$14,224.67.
- A spreadsheet produced by Lt. Baker, along with supporting documentation, (Attachment 26) would indicate that items were removed from the original expenditure and different items were added to change the amount of the expenditure.
- When asked if any of the money spent on the original nine expenditures was for personal use, Speaker Harrell said no.

3. The October 15, 2010, expenditure for \$2,591.56

- This expenditure actually occurred on September 15, 2010, and not October 15, 2010, as documented by Speaker Harrell's Campaign Books.
- Speaker Harrell, in his interview (Ref Att 24), advised he signified campaign expenses on his personal credit card statements by making a mark by the charge.
- On September 15, 2010, Speaker Harrell signed a check made out to him for \$2,591.56.
- In 2012, Speaker Harrell did a self-review of his campaign expenses and revised the amount of this expenditure to \$1,474.74.
- On September 19, 2012, Speaker Harrell sent a signed letter to the House Ethics Committee in part stating, "This action is being taken because of the misplacement of the necessary supporting documentation and receipts related to specific campaign expenditures from my campaign account. While I am

confident that these expenses are legitimate campaign expenditures, I am cognizant of Section 8-13-1302(B) of the South Carolina Code that requires a candidate 'maintain and preserve all receipted bills and accounts required by this article for four years'."

- On September 17, 2013, SLED Agents obtained the original AmEx credit card statements from Speaker Harrell.
- The un-redacted AmEx statement with the closing date of August 17, 2010, had marks made by charges which Speaker Harrell had advised he used to denote campaign expenses.
- The sum of the charges with marks made by them is \$2,591.56.
- The \$2,591.56 was paid to Speaker Harrell with campaign check # 2074.
- When the un-redacted statement was compared to the Campaign Book statement, the comparison indicated that the following items were removed from the original expenditure: a Verizon bill (\$692.45); a purchase at Office Depot (\$80.57); and a US Airways ticket to Boston for Stephen Graves (\$405.80). These amounts total \$1,178.82.
- The original AmEx statement with the closing date of August 17, 2010, would indicate that Speaker Harrell does possess documentation on how the \$2,591.56 was spent, despite his letter to the House Ethics Committee.
- When asked about these documented purchases, Speaker Harrell advised that the original AmEx statements were working copies, but the information he provided in 2012, is the actual campaign cost. Therefore, he corrected the amount of this expenditure to \$1,474.74.
- A spreadsheet produced by Lt. Baker, along with supporting documentation, (Attachment 27) would indicate that items were removed from the original expenditure and different items were added to change the amount of the expenditure.
- When asked if any of the money spent on the original nine expenditures was for personal use, Speaker Harrell said no.

4. The January 7, 2011, expenditure for \$4,241.46

- Speaker Harrell, in his interview (Ref Att 24), advised he signified campaign expenses on his personal credit card statements by making a mark by the charge.
- On January 7, 2011, Speaker Harrell signed a check made out to him for \$4,609.89. According to the Campaign Books for 1<sup>st</sup> Quarter 2011, this check combined the expenditures numbered 47 and 48, for \$4,241.46 and \$368.43 respectively.
- In 2012, Speaker Harrell did a self-review of his campaign expenses and revised the amount of the \$4,241.46 expenditure to \$3,659.49. However, when the items on the changed expenditure are totaled, the sum is \$3,660.06.
- On September 19, 2012, Speaker Harrell sent a signed letter to the House Ethics Committee in part stating, "This action is being taken because of the misplacement of the necessary supporting documentation and receipts related to specific campaign expenditures from my campaign account. While I am confident that these expenses are legitimate campaign expenditures, I am cognizant of Section 8-13-1302(B) of the South Carolina Code that requires a candidate 'maintain and preserve all receipted bills and accounts required by this article for four years'."
- On September 17, 2013, SLED Agents obtained the original AmEx credit card statements from Speaker Harrell.
- The un-redacted AmEx statement with the closing date of December 17, 2010, had marks made by charges which Speaker Harrell had advised he used to denote campaign expenses.
- The sum of the charges with marks made by them is \$4,241.46.
- When the un-redacted statement was compared to the Campaign Book statement, the comparison indicated that the following items were removed from the original expenditure: three separate purchases from the Athletic Ticket Office, Cola, SC (totaling \$990.00) and a charge at the Hilton Full service, Cola, SC (\$541.47). These amounts total \$1,531.47.
- Of interest, the expenses added by Speaker Harrell to the changed expenditure amount in the campaign books are from a later AmEx statement with the closing

date of January 17, 2011. Speaker Harrell signed the check made out to him for the expense amount on January 7, 2011. This was ten days before the information he used was available in statement form.

- The original AmEx statement with the closing date of December 17, 2010, would indicate that Speaker Harrell does possess documentation on how the \$4,241.46 was spent, despite his letter to the House Ethics Committee.
- When asked about these documented purchases, Speaker Harrell advised that the original AmEx statements were working copies, but the information he provided in 2012, is the actual campaign cost. Therefore, he corrected the amount of this expenditure to \$3,659.49.
- A spreadsheet produced by Lt. Baker, along with supporting documentation, (Attachment 28) would indicate that items were removed from the original expenditure and different items were added to change the amount of the expenditure.
- When asked if any of the money spent on the original nine expenditures was for personal use, Speaker Harrell said no.

Of the nine expenditures changed by Speaker Harrell, three expenditures were changed to an amount of zero, and the full amount of these expenditures was contributed back to the campaign account by Speaker Harrell. Those three expenditures totaled \$13,008.67. As of this report, SLED Agents have not been able to determine how these funds were spent.

Lt. Baker obtained documents (Attachment 29) from the SC Comptroller General's Office that listed expenses paid to Speaker Harrell by the State of SC between November 2009, and March 2013. The documents provided amounts paid for the following listings: In-State Automobile Mileage; In-State Subsistence Allowance; Out-of State Lodging; Per Diem; In-State Lodging; and In-State Miscellaneous Travel Expenses.

Under the Out-of-State Lodging entry, with a posting date of December 14, 2009, the SC Comptroller General's Office listed an amount of \$1,839.91 paid to Speaker Harrell. Additional documents (Attachment 30) provided by the SC Comptroller General's Office indicated the



payment was a reimbursement for a trip to the National Speaker's Conference in Georgia, on October 21-24, 2009. Speaker Harrell's personal BB&T credit card statements were used to show the charged amounts and credits. The October 16, 2009, BB&T statement indicated that the \$1,839.91 paid to Speaker Harrell by the State of SC was a portion of the statement's total amount due of \$4,149.09.

The \$ 4,149.09 amount lead Lt. Baker to review Speaker Harrell's Campaign Books for the 4<sup>th</sup> Quarter of 2009 (Attachment 31). Lt. Baker located a payment of \$4,149.09 to Speaker Harrell from his campaign account, on November 1, 2009. Speaker Harrell provided the same October 16, 2009, BB&T credit card statement and NSC trip as justification for this campaign expenditure. The payment from Speaker Harrell's campaign account and the payment from the State of SC indicate that Speaker Harrell was reimbursed twice for the same expenses.

In the request to Speaker Harrell (Ref Att 21) for additional documentation, Lt. Bolchoz asked about an expenditure of \$5,390.92, on January 4, 2011. According to Speaker Harrell's Campaign Books for 1<sup>st</sup> Quarter 2011, the \$5,390.92 amount covered expenditures 50, 51, 52, and 53 (Attachment 32), which were marked on Speaker Harrell's BB&T credit card statement ending December 16, 2010. There were no receipts or invoices from these merchants. One of the charges marked on the BB&T statement was at a Goodyear Auto Service Center, in Columbia, SC, for \$865.81. Lt. Bolchoz referenced the Goodyear charge when he listed this expenditure. Speaker Harrell provided the following as an explanation: "I don't remember why the Goodyear charge. I do keep an old Buick at the Columbia airport so when I fly in it is available. May have been repairs on that car which is only used for this purpose and does not receive reimbursement on milage or anything else."

On April 16, 2013, Lt. Baker spoke with Charles Reid, the Clerk of the SC House of Representatives, by telephone. Reid provided the following information: as Clerk of the House, he, along with his staff, manages the disbursement of state funds to House members. They keep track of mileage, subsistence allowance, and other expenses. According to Reid, the SC Code of Laws § 2-3-20 (Attachment 33) requires the state to pay members of the General Assembly mileage for one round trip per week, while the General Assembly is in session. The member

must be present to receive the mileage reimbursement. If the General Assembly is not in session, the member must fill out a state travel voucher to receive mileage.

In 2008, the House froze the mileage rate at 44.5 cents per mile. House members are paid the 44.5 cents per mile rate whether they drive a hybrid type vehicle, a gas guzzler, or fly an airplane. Reid, or his staff, decides the most direct route from the House members' homes to the General Assembly. In the case of Speaker Harrell, one round trip (Ref Att 29) would be 200 miles, which equates to \$89.00 at 44.5 cents per mile. The State of SC makes these payments in two week intervals, which would equate to a \$178.00 mileage reimbursement for Speaker Harrell every two weeks.

According to Reid, House members also receive a subsistence allowance of \$131.00 per day of attendance during session of the General Assembly. The subsistence allowance is for food and lodging expenses that occur while the General Assembly is in session. The subsistence allowance is provided to the members of the General Assembly in a "proviso" to the Appropriations Act.

According to the documents (Ref Att 29) from the SC Comptroller General's Office, Speaker Harrell did receive mileage reimbursements from the State of SC between November 2, 2009, and March 7, 2013, totaling \$6,853.00. During that same period, he received \$27,772.00 in subsistence allowance from the state. According to Speaker Harrell's campaign books (Ref Att 14), the campaign account has also reimbursed Speaker Harrell for food, travel, and lodging while he was in Columbia, SC, for General Assembly business.

In addition to Speaker Harrell's reimbursements to himself, he has also provided campaign funds to the following sources of interest:

1. Gregory Foster – Communications Director for Speaker Harrell \$55,982.94
  - \$40,000.00 was paid for services to Speaker Harrell's website. The attached document (Attachment 34) was provided in Speaker Harrell's campaign books as an invoice documenting the work done by Foster. The following sources were also paid for services to the Speaker's website: Root Loud (\$3,640.00); Trisha

Ostrowski (\$4,000.00); Donahue Direct (\$9,609.16). Some of these sources were paid for work on the Speaker's website, along with Foster being paid for work.

- In an interview (Ref Att 23), Foster advised he worked on the Speaker's website on his own time with his own equipment.
- \$15,982.94 was paid to Foster for travel, food, office expenses, phones, and other computer services. See Attachment 35 for examples of these expenses.
- In an interview (Ref Att 23), Foster advised that Speaker Harrell was allowed by state law to use campaign funds to pay for travel by his staff as an ordinary expense of his office. This allowed the Speaker to use campaign funds instead of state funds for his staff's travel expenses.

2. Trisha Ostrowski \$4,436.80

- Speaker's website (Attachment 36) – \$4,000.00
- Computer services – \$436.80

3. Root Loud \$4,500.00

- Speaker's website (Attachment 37) – \$3,640.00
- Computer services / Legislative ad – \$860.00

4. Donahue Direct \$11,759.18

- Speaker's website (Attachment 38) – \$9,609.18
- Legislative ads and emails – \$2,150.00

5. Sponsorships \$47,940.00

- Harrell provided campaign funds to different entities as sponsorships. The following are some examples of these sponsorships: Schools; Clubs; Republican Party affiliated groups; United Way; Churches; Baseball, Softball and Basketball Teams. See Speaker Harrell's campaign books (Ref Att 14) for details.
- A \$3,500.00 Sponsorship for an Inaugural Gala (Attachment 39) was paid to Alan Wilson for Attorney General from Speaker Harrell's campaign account.

- Reference § 8-13-1340 for any potential conflict.
6. American Express \$22,580.33 – Personal credit cards used for campaign purposes
- Credit Card processing fee and banking charges (Attachment 40) – \$670.08
  - Computer services, Legislative travel, Office expenses, Legislative dinners, Phones, Honorarium – House Members – \$21,910.25
  - American Express Platinum Card account ending 4-64006 – Receives Membership Rewards Points
  - American Express Platinum Delta SkyMiles Card account ending 7-41006 – receives Delta SkyMiles
7. Jeannie Potter – Administrative Assistant to Speaker Harrell \$7,659.97
- \$5,900.00 in Petty Cash/Office Expenses (Attachment 41). Dates and amounts: March 29, 2009 - \$1,400.00; January 6, 2010 - \$1,000.00; October 25, 2010 - \$1,000.00; November 29, 2010 - \$1,000.00; April 15, 2011 - \$1,000.00; February 16, 2012 - \$500.00
  - § 8-13-1348(E) A candidate or a duly authorized officer of a committee may not withdraw more than one hundred dollars from the campaign account to establish or replenish a petty cash fund for the candidate or committee at any time, and at no time may the fund exceed one hundred dollars. Expenditures from the petty cash fund may be made only for office supplies, food, transportation expenses, and other necessities and may not exceed twenty-five dollars for each expenditure.
8. Mitch Dorman – Sergeant at Arms of the SC House of Representatives
- Flags (Attachment 42) – \$4,733.00
9. E System Solutions \$22,779.52
- E System Solutions works on Speaker Harrell's wireless access at his Charleston office, at his home office, and for his staff in Columbia to be able to access his calendar and contacts.

- Invoice 3099 for February 28, 2009 (Attachment 43) – Service request 1731 – Set up Bobby's wife's new computer at their home.
- Invoice 3174 for March 31, 2009 (Attachment 44) – Service Request Notes: check all five computers at the house
- Invoice 3213 for April 30, 2009 (Attachment 45) – Service Request 2372 – Wireless at Bobby's home not working. Did work on Cathy's and family PCs.
- Invoice 3568 for December 30, 2009 (Attachment 46) – Service Request 4152 – Wireless not working at house. "Rebooted switch downstairs and router upstairs. I think the network cable was unplugged from the wall the whole time. Everything is working fine now. Also reconnected Charlotte's Wii to the network."
- Invoice 3809 for June 30, 2010 (Attachment 47) – Service Request 4999 – Work on Trey's computer. Hard drive dead. HP shipping a new hard drive and recovery disks. Recovered all the data from Trey's hard drive and put it on my external hdd. Finished reloading Trey's computer and transferred data. Service Request 5005 – Return computer to Cathy; Set up printers on her PC.
- Invoice 4025 for December 31, 2010 (Attachment 48) – Service Request 6001 – Trey's Internet not working. Reset Apple wireless router to factory setting and set it up again. After that everything worked.

10. O. L. Thompson Construction \$10,469.88 (Attachment 49)

- Legislative Travel – \$6,647.50
- Trip to Myrtle Beach, SC – \$2,092.38
- Trip to Darlington, SC – \$1,730.00

11. Clemson University \$2,091.00 (Attachment 50)

- Constituent Appreciation – \$1,313.00
- Campaign Chairman Appreciation – \$778.00

12. India Hazzard Pickelsimer \$963.31 (Attachment 51)

- The above amount was reimbursed to Hazzard Pickelsimer for campaign expenses related to work on Speaker Harrell's campaign for SC House District 114.
- This campaign work was carried out by Hazzard Pickelsimer while she was the Executive Director of the Palmetto Leadership Council.

13. Palmetto Leadership Council \$605.00 (Attachment 52)

- Reimbursement for travel
- Speaker Harrell (Ref Att 6) does not remember this trip.

## **Section 6:**

### **Speaker Harrell's association with the Palmetto Leadership Council**

During the investigation, SLED Agents conducted interviews, prepared MOIs, and collected documents from the following individuals: India Hazzard-Pickelsimer; Charles Reid; Representative James Merrill; Gregory Foster; Speaker Robert Harrell; and Jason Zacher.

These individuals revealed the following information concerning Speaker Harrell's association with the Palmetto Leadership Council:

1. India Hazzard-Pickelsimer – Executive Director (Ex. Dir.) of PLC (Attachment 53)

- She was hired by Speaker Harrell to be the Ex. Dir. of PLC.
- She could be terminated by Speaker Harrell if her job performance as Ex. Dir. of PLC is unsatisfactory.
- She consulted with Speaker Harrell prior to her raise in salary in early 2013.
- She makes the final decisions on all PLC matters, but she does consult with Speaker Harrell on PLC decisions.
- She has worked on Speaker Harrell's campaign for House District 114 as a fundraiser, separate from PLC business. (Attachment 54)

- She hired Speaker Harrell's Communications Director and Deputy Chief of Staff, Gregory Foster, as a consultant for PLC. Speaker Harrell did not tell her to hire Foster, but she discussed the decision with him.
- Foster's job, while at PLC, was to work with the House Republican Caucus on campaigns for candidates that were facing opposition in the election and help them win the election.

2. Information from PLC's Bank Accounts (Attachment 55)

- As of August 13, 2013, Victoria "Vicky" Cherry had signature authority on PLC bank accounts. Cherry was an Assistant to Speaker Harrell in his Charleston Office, prior to 2011.
- As of August 13, 2013, James P. McDermott had signature authority on PLC bank accounts. McDermott is the Campaign Treasurer of Speaker Harrell's campaign.
- Speaker Harrell reimbursed PLC \$605.00 for travel expenses.
- Eight \$100.00 checks (Attachment 56) made out to Bobby Harrell for House were deposited into a PLC bank account.

3. Speaker Robert W. Harrell, Jr. (Ref. Attachments 6 and 24)

- PLC was founded by his brother, John Harrell.
- Speaker Harrell is not a member of PLC, but he allows PLC to use his name for fundraising. He also attends fundraising events for PLC.
- James P. "Pat" McDermott has been the Campaign Treasurer for Speaker Harrell's campaign since 1994. Speaker Harrell was not aware that McDermott had signature authority on PLC accounts.
- Vicky Cherry was an Assistant to Speaker Harrell prior to 2011. Speaker Harrell did not remember Vicky Cherry having signature authority on PLC accounts.
- In the past, Speaker Harrell had signature authority on PLC accounts.
- He does not remember who hired Hazzard-Pickelsimer to the position of Executive Director of PLC.
- He does not have the authority to terminate her employment or position with PLC.

- He does discuss matters concerning PLC with Hazzard-Pickelsimer such as raising money, attending events, campaigns, and who he thinks are candidates that PLC should be supporting for election.
- He did receive a check from PLC for \$6,500.00, in 2007. A reception was thrown for the outgoing Highway Commissioner at the time, which was Speaker Harrell's father. He paid for the event with his American Express card, and PLC reimbursed him for the amount.
- He did not remember reimbursing PLC \$605.00 in 2009, for travel.
- He was not aware that eight checks made out to his campaign were deposited into a PLC account.

4. Gregory Foster (Ref Attachment 23)

- Foster is the Communications Director and Deputy Chief of Staff for Speaker Harrell.
- Foster worked for PLC as a consultant during the 2008 and 2010, elections. He took annual and comp. leaves (Attachment 57) to work for PLC. According to Foster's leave request (Attachment 58), he took a leave of absence from his government position.
- He discussed PLC business with Hazzard-Pickelsimer and Jason Zacher, the Communications Director for the SC House Republican Caucus.
- While on leave and working for PLC, he had telephone conversations with Speaker Harrell concerning House political races.

5. Representative James "Jim" Merrill (Attachment 59)

- He referred to PLC as "Bobby's thing".
- As the Majority Leader of the House, he produced political mailers with other members of the House Republican Caucus for House races. These mailers were paid for by PLC.
- Rep. Merrill said it was always better to reference "Bobby's" name in an email to Hazzard when he was seeking a payment from PLC. (Attachment 60)



## **Section 7:**

### **PLC's association with the House Republican Caucus Committee**

Additional information (Attachment 61) obtained from Hazzard-Pickelsimer concerning invoices received by PLC from Geechie Communications (GC) and Richard Quinn & Associates (RQ&A) lead to the following information:

PLC paid these invoices for political mailers produced by the SC House Republican (GOP) Caucus for House election races. In his interview (Ref Att 59), Rep. Merrill described the process of producing political mailers. He provided the following information:

Rep. Merrill is the sole proprietor of GC, which does marketing, public relations, advertising, political strategy, and consulting work. GC does not have printing equipment to produce mailers and other paperwork for clients, so Rep. Merrill "subs" out his printing duties to other companies.

Rep. Merrill was the Majority Leader of the SC House for five years. As Majority Leader, much of the Leader's time is spent working with the caucus and helping republican candidates or incumbents win their elections. He explained that the limitation on the amounts a candidate could receive during an election had changed through the years. The laws governing campaign finance had limited the amount of direct funds that could be contributed to a candidate's campaign. A caucus could only give so much. An individual could only give so much, and PACs could only give so much. Therefore, others began to form Leadership PACs that could raise money to support pro-business candidates just like PACs formed by unions could support pro-union candidates.

The House GOP Caucus' main goal is to maintain the majority in the House, and the caucus is aggressive in this approach. Not only is the caucus limited in what it can donate directly to a candidate, the caucus is limited in that it only has what funds are generated through donations to the caucus to spend. These funds are spent on multiple candidates in races throughout the state. Therefore, the caucus puts ranges on the candidates and races to better allocate resources/funds.

Some races cost more so additional funds are directed and used on them. The caucus team would lay out these plans and ask PLC to pay for some of the mailers and ads produced by the caucus.

Rep. Merrill's company, GC, did direct mailers and survey work for PLC and maybe some radio ads. The work depended on the election cycle and was usually coordinated with the House Republican Caucus. When Rep. Merrill was the Majority Leader of the House, he would appoint a committee (team) to the House GOP Caucus to discuss and come up with a plan for the election cycle. They would send out surveys to the districts. The result, of those surveys, would direct them "as to how to spend the money." Then as the Majority Leader, he would lay out the plan with his team.

The team would work on the phrasing and language of the mailers. Rep. Merrill and Zacher would do the design for the mailers, and Zacher would do the graphic arts. Then Rep. Merrill may edit the mailers prior to them going to the printing company. After the printing company had a proof ready, he would check it prior to the mass printing of the mailers. Once they were printed, they would be mailed to the public. He would pay for the initial expense of the printing and distribution of the mailers, and then he, as GC, would mark up the initial expense "ten, twelve, or fifteen percent". GC would then send an invoice with the final cost to PLC or the Caucus for payment.

Rep. Merrill explained that his campaign never benefited from any funds provided by PLC. However, he, as GC, "benefited" in that he marked up the cost of the mailers that GC did for the Caucus by "twelve (12) or fifteen (15) percent". He did send some of the mailers to Rick Quinn in the Midlands and some mailers to a vendor in the upstate for production.

Rep. Merrill discussed the GC invoices (Attachment 62) which listed the following mailer types: Newly registered letter; Tax mailing; Team mailing; and Reform mailing. A Newly registered letter was a mailing sent out to newly registered voters in a district to get them out to vote. A Tax mailing referred to a mailer sent to the public discussing changes in the tax code like lower business taxes, which the district candidate supports or helped pass legislation on. A

Team mailing referred to a mailer sent on behalf of newer candidates stating they were part of the republican team. A Reform mailing referred to a mailer sent to the public discussing reform in government like restructuring the Budget and Control Board, which the district candidate supports or helped pass legislation on. These were some of the mailers produced by GC for the House Republican Caucus that were funded by PLC.

Rep. Merrill reiterated that the Majority Leader of the House decided who was on the caucus team and involved in the decision making process on how mailers were produced. When he was the Majority Leader of the House, his committee consisted of: himself; Jason Zacher (Communications Director); Charles Cannon (Executive Director); the Assistant Majority Leader of the House; and others as needed.

Rep. Merrill added that, before he was Majority Leader, Rick Quinn was the Majority Leader of the House. While Quinn was the Majority Leader of the House, he had his own caucus team that discussed, decided, and produced mailers for candidates and House districts. Like Rep. Merrill, Quinn had his own consulting, advertising and marketing business. This business (RQ&A) was run by Rick Quinn and/or his father Richard Quinn in Columbia, SC. Yet, unlike Rep. Merrill, Quinn ran his own printing house; therefore, he did not need to send the printing out to another source. Rep. Merrill felt that Quinn, while Majority Leader, sent most, if not all, of the caucus mailers to his own business.

Rep. Merrill also looked at an email (Ref Att 60) that he sent to Hazzard, in 2010. The email mentioned an invoice for "six initial mailing that Bobby authorized." He reviewed the email and the invoice mentioned in the email. He advised that, in this specific email, he had received authorization from Speaker "Bobby" Harrell that the House Republican Caucus could send an invoice for these mailers to PLC. Rep. Merrill advised that it was always better to reference "Bobby's" name in an email when Merrill was seeking a payment from Hazzard at PLC.

According to GC's Invoices (Ref Att 62) and Rep. Merrill's interview (Ref Att 59), the following candidates received mailers produced by the House GOP Caucus and paid for by PLC: Bailey; Kelso; Scarborough; Erikson; Willis; Millwood; Long; Lowe; Stacy; Cole; Herndon;

Bowen; Kelly; Sottile; Stewart; Cato; Chalk; and Hardwick. These mailers were produced during the 2008 General Elections and the 2010 Primary Elections.

After receiving and reviewing this information, SLED Agents referenced the following statutes from the SC Code of Laws: § 8-13-700. Use of official position or office for financial gain; § 8-13-1300(7). Independent Expenditures; § 8-13-1314. Campaign contribution limits and restrictions; § 8-13-1316. Restrictions on campaign contributions received from political parties.

§ 8-13-700. Use of official position or office for financial gain

- Rep. Merrill, as the House Majority Leader, was in a leadership position in the House GOP Caucus and was involved in the decision making process of caucus business. He, as Majority Leader, made the final decisions concerning production of political mailers designed by the caucus. He sent caucus business to his personal company, GC. He made a profit on the caucus' business of 10 to 15 percent of the cost.
- According to Rep. Merrill's interview, Rep. Rick Quinn, while House Majority Leader, conducted House GOP Caucus business in the same manner.

§ 8-13-1300(7). Independent Expenditures

- The definition: "'Independent expenditure' means:
  - (a) an expenditure made directly or indirectly by a person to advocate the election or defeat of a clearly identified candidate or ballot measure; and
  - (b) when taken as a whole and in context, the expenditure made by a person to influence the outcome of an elective office or ballot measure but which is not:
    - (i) made to;
    - (ii) controlled by;
    - (iii) coordinated with;
    - (iv) requested by; or
    - (v) made upon consultation with a candidate or an agent of a candidate; or a committee or agent of a committee; or a ballot measure committee or an agent of a ballot measure committee.

Expenditures by party committees or expenditures by legislative caucus committees based upon party affiliation are considered to be controlled by, coordinated with, requested by, or made upon consultation with a candidate or an agent of a candidate.”

- The House GOP Caucus is a legislative caucus committee.
- The House GOP Caucus produced candidate specific mailers for House candidates as if the mailers were independent expenditures from PLC.
- PLC paid invoices from GC on candidate specific mailers produced by the House GOP Caucus as if the mailers were independent expenditures produced by PLC.

§ 8-13-1314. Campaign contribution limits and restrictions

- Candidates that are running for an election (not a statewide office) are restricted to a \$1,000.00 direct donation per individual per election.
- According to the SC State Ethics Commission’s website, the following candidates received the \$1,000.00 contribution limit from PLC during the 2008 General Elections or the 2010 Primary Elections: Kelso; Willis; Millwood; Long; Cole; Herndon; Kelly; Sottile; Stewart; Cato; Chalk; and Hardwick.
- The previous listed candidates also received mailers during the aforementioned elections that were paid for by PLC but produced by the House GOP Caucus.

§ 8-13-1316. Restrictions on campaign contributions received from political parties

- Candidates that are running for an election (not a statewide office) are restricted to a \$5,000.00 direct donation per political party per election.
- According to the SC State Ethics Commission’s website, the following candidates received the \$5,000.00 contribution limit from the House GOP Caucus during the 2008 General Elections or the 2010 Primary Elections: Bailey; Kelso; Scarborough; Erikson; Willis; Millwood; Long; Lowe; Stacy; Cole; Herndon; Bowen; Kelly; Sottile; Stewart; Chalk; and Hardwick.
- The previous listed candidates also received mailers during the aforementioned elections that were paid for by PLC but produced by the House GOP Caucus.

The above referenced points are potentially in conflict with the aforementioned SC Statutes.

The following documents were obtained pertinent to the investigation:

- Copies of the political mailers (Attachment 63)
- Zacher emails (Attachment 64)
- Documents from LLR (BOP) regarding PSP and/or Speaker Harrell (Attachment 65)
- Speaker Harrell's campaign bank records (Attachment 66)

This case file will be forwarded to the proper prosecutorial authority for review.

Kevin W. Baker

Lt. Kevin W. Baker

Attachments

1. Letter of Request from the OAG
2. Letter of Complaint from E. Ashley Landess (SCPC)
3. MOIs – E. Ashley Landess
4. Memorandum from Jane Shuler in reference to the JMSC
5. Letter to the SC Secretary of State from Shuler reference the JMSC
6. MOI Robert W. Harrell, Jr. – August 13, 2013
7. Letter from JMSC Chairman Greg Delleney, Jr.
8. MOI – Donald Hottel
9. MOI – Lee Ann Bundrick
10. MOI – Clelia Sanders
11. MOI – Robert “Bobby” Bradham
12. MOI – Randall Bryant
13. MOI – Sheila Young
14. Harrell’s Campaign Books 2009-2012
15. Harrell’s Letters to the SC House Ethics’ Committee
16. Examples of paperwork used as receipts and invoices in Harrell’s Campaign Books
17. Harrell’s calculations on Cirrus SR-22’s costs per hour to operate
18. Documents provided by Speaker Harrell to explain flight costs
19. Speaker Harrell’s response to questions provided in first interview
20. Charleston County Tax Receipts on Pierpont Air, LLC, Cirrus SR-22 aircraft
21. Spreadsheets prepared by Lt. Bolchoz requesting additional documentation on expenses
22. Invitation to Wizarding World of Harry Potter
23. MOI – Gregory Foster
24. MOI – Robert W. Harrell, Jr. – September 30, 2013
25. Spreadsheet with documents of December 1, 2009, Expenditure for \$2,980.74
26. Spreadsheet with documents of July 28, 2010, Expenditure for \$19,273.63
27. Spreadsheet with documents of October 15, 2010, Expenditure for \$2,591.56
28. Spreadsheet with documents of January 7, 2011, Expenditure for \$4,241.46
29. Documents from the SC Comptroller General’s Office – Payments to Speaker Harrell
30. Documents from the SC Compt. General’s Ofc. – Reimbursement to Speaker Harrell
31. A section of Speaker Harrell’s Campaign Books – 4<sup>th</sup> Quarter of 2009
32. A section of Speaker Harrell’s Campaign Books – 1<sup>st</sup> Quarter of 2011

33. SC Code of Laws Section 2-3-20
34. Paperwork documenting Gregory Foster's work on Speaker Harrell's website
35. Examples of Foster's expenses paid by Speaker Harrell's Campaign account
36. Payments to Trisha Ostrowski – Speaker's website
37. Payments to Root Loud – Speaker's website
38. Payments to Donahue Direct – Speaker's website
39. \$3,500.00 "sponsorship" to Attorney General Alan Wilson for Inaugural Gala
40. Credit Card processing fees and banking charges
41. Petty Cash Fund – Jeannie Potter
42. Flags – Mitch Dorman
43. E System Solutions Invoice 3099
44. E System Solutions Invoice 3174
45. E System Solutions Invoice 3213
46. E System Solutions Invoice 3568
47. E System Solutions Invoice 3809
48. E System Solutions Invoice 4025
49. Payments to O. L. Thompson Construction
50. Clemson University – Constituent appreciation
51. Payments to India Hazzard-Pickelsimer from Speaker Harrell's campaign account
52. \$605.00 payment to PLC from Speaker Harrell
53. MOI – India Hazzard-Pickelsimer
54. Examples of work done by India Hazzard-Pickelsimer
55. Information from PLC's bank accounts
56. Eight checks written to Speaker Harrell for House put in a PLC bank account
57. Email from Charles Reid in reference to Foster's leave
58. Gregory Foster's leave request
59. MOI – Representative James Merrill
60. Email to Hazzard from Merrill in reference to "Bobby"
61. Additional information provided by Hazzard-Pickelsimer
62. Emails and Invoices from Geechie Communications
63. Copies of the political mailers produced by House GOP Caucus
64. Emails from Jason Zacher



- 65. Documents from LLR (BOP) regarding PSP and/or Speaker Harrell
- 66. Speaker Harrell's campaign bank records

## Exhibit 2



ALAN WILSON  
ATTORNEY GENERAL

July 24, 2014

The Honorable David Pascoe, Solicitor  
First Judicial Circuit  
P.O. 1525  
Orangeburg, SC 29116

Dear Solicitor Pascoe:

As we have discussed, the State Grand Jury investigation in the Robert Harrell matter has been effectively shut down since the February session. Due to various legal challenges, baseless accusations concerning the Attorney General's lack of impartiality, as well as political innuendo – which clearly has no place here – the State Grand Jury investigation has been stopped dead in its tracks. Indeed, no transfer order giving the Presiding Judge or the new State Grand Jury the necessary jurisdiction to continue this investigation, following expiration of the old Grand Jury in June, has yet been signed.

In summary, the investigation, based upon a ten month SLED inquiry, conducted by some of SLED's best investigators, cannot be adequately carried on if it proceeds on its present path. Therefore, pursuant to the Attorney General's authority as chief prosecutor pursuant to Art. V, § 24 of the State Constitution, and in an effort to move this investigation forward without further disruption, I am requesting that your Office agree to serve as the designated prosecutor in this matter. I have every confidence that you will do an excellent job in this undertaking should you agree to accept it. It is critical that this investigation continue to its appropriate conclusion, and based upon your credibility, professionalism and integrity, I know you will do just that.

Sincerely,

Alan Wilson

AW/jt

## Exhibit 3

**LAWRENCE, LUANNE**

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**From:** PASTIDES, HARRIS  
**Sent:** Wednesday, January 12, 2011 2:22 AM  
**To:** LAWRENCE, LUANNE  
**Subject:** RE: Follow-up

You can call me, understanding the time difference of course. I believe that Lee has a preferred path if we advance. We should not engage directly but through an intermediary...like Lee or MBLG. I would be favorable. Also, I think that Thad should be in the know. Call anytime.

---

**From:** LAWRENCE, LUANNE  
**Sent:** Tue 1/11/2011 6:45 PM  
**To:** MOORE, TED  
**Cc:** AMIRIDIS, MICHAEL; PASTIDES, HARRIS; WALTON, ED  
**Subject:** Re: Follow-up

I have spoken to many and know what I am facing. Harris, I need your assessment. Can we talk tomorrow?

Luanne M. Lawrence  
Vice President, Communications  
University of South Carolina

On Jan 11, 2011, at 6:05 PM, "MOORE, TED" <[WTMOORE@mailbox.sc.edu](mailto:WTMOORE@mailbox.sc.edu)> wrote:

Luanne, I take it you've spoken with Casey and Shirley for background. This is a tricky one, and like Michael, I'm not sure of what to offer.

Ted

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**From:** AMIRIDIS, MICHAEL  
**Sent:** Tuesday, January 11, 2011 5:59 PM  
**To:** LAWRENCE, LUANNE; PASTIDES, HARRIS; MOORE, TED; WALTON, ED  
**Subject:** RE: Follow-up

Luanne:

I really do not have much to offer here (I'm writing the message just to make sure you checked me off your list and you are not waiting for my response). While I realize and agree on the nature and severity of the challenges we will be facing, I do not know anything about this guy and have no clue whether he will be useful or not.

M.

---

**From:** LAWRENCE, LUANNE  
**Sent:** Tue 1/11/2011 5:20 PM  
**To:** AMIRJIDIS, MICHAEL; PASTIDES, HARRIS; MOORE, TED; WALTON, ED  
**Subject:** Fwd: Follow-up

Recognizing this email for what it is, I share some concerns Richard voices. I am interested in seeking a partnership with him but my immediate concern is GHS. He represents some of our most vocal opponents who pose the greatest threats of bringing a proviso forward. What is your guidance in embarking on a relationship? I have done my homework and believe I know how to discreetly manage this relationship if we move forward. I do agree time is of the essence.

Luanne M. Lawrence

Vice President, Communications

University of South Carolina

Begin forwarded message:

**From:** [RQuinn9218@aol.com](mailto:RQuinn9218@aol.com)  
**Date:** January 11, 2011 5:12:56 PM EST  
**To:** [luanne@mailbox.sc.edu](mailto:luanne@mailbox.sc.edu)  
**Cc:** [pastides@mailbox.sc.edu](mailto:pastides@mailbox.sc.edu), [lee.bussell@chernoffnewman.com](mailto:lee.bussell@chernoffnewman.com)  
**Subject:** Follow-up

Luanne:

I enjoyed the opportunity of meeting with you, Dr. Pastides and Lee just before Christmas. I hope you don't mind, but I took the opportunity over the holidays to check with some of my legislative friends and clients on the issues that USC will likely face in the upcoming session.

First, as I'm sure you know by now, Attorney General McMaster issued the opinion a few days ago that USC does not need to go before the CHE on expansion plans. That was good news.

However, USC continues to face unique challenges on the expansion of the Medical School into Greenville with GHS and continued questions about Innovista. You will also face several significant issues that involve higher education in general, including tuition caps, caps on out of state students and continued cuts in state funding.

Candidly, the results of my inquiries about USC and these issues were not very favorable. I recall that Dr. Pastides felt good about the Medical School expansion, but I found that legislators still have serious reservations. When you combine these with the other issues of tuition caps and caps on out of state students I believe USC faces significant challenges in a very difficult legislative environment.

As to how our firm might be of general assistance, I have had numerous discussions with various representatives of USC for a year or more. I'm not sure I have ever held quite as many meetings with a prospective client, but as a USC grad, I have a love for my alma mater and a desire to see her do well.

At this time I believe we could be more focused on helping to develop strategies for dealing specifically with 3 issues: The Medical School expansion, tuition caps and caps on out of state students.

My statement to you, Lee and Der. Pastides that USC is still perceived as the place where old Democrats go to retire appears to me to be stronger than ever. I believe a relationship with our firm would help overcome that image and also help you develop the kind of re-branding results you seek going forward, as well as the strategies, themes and messages you need to make your best case on Medical School expansion, tuition and on the out of state students issue.

This legislative session is going to move quickly. As I said when we met, I look forward to the prospect of being a part of the USC team. If you have any interest in forming a professional relationship with us, I would be pleased to hear from you.

With best regards and a belated Happy New Year...

Richard Quinn

## Exhibit 4





PROPOSAL FOR SERVICES

TO: Buck Waters  
Burroughs & Chapin

FM: Richard Quinn  
Richard Quinn & Associates

DATE: January 30 2013

We all enjoyed our two-day visit with you and hope we didn't run you ragged. Also, very sorry about the service and burned French fries at the Palmetto Club.

Our goal in organizing your schedule was two-fold. First, we wanted to begin the process of introducing you to some of the key people in both the public and private sectors with whom you will want to be building a relationship in your new role. We attempted to connect you with state, regional and municipal elected officials as well as key business leaders. Many of those are folks Edgerton knows well and (as I discovered) some of whom you already know.

Secondly (we may as well go ahead and be honest) we also wanted to showcase what the Attorney General referred to with that unfortunate metaphor: our tentacles. I prefer to call them relationships based on history, the institutional knowledge and the qualifications we have as a consulting firm interested in becoming a member of your strategic team.

As we have explained in the past, we do not lobby. If, from time to time, you need a contract lobbyist for a particular issue, we can point you to the right ones, which often varies depending on subject matter. To summarize briefly, here are some (but not all) of the ways RQ&A can help Burroughs & Chapin (B&C):

- Define strategies, communicate messages & help implement plans
- Form a strong liaison with the statewide political and business community
- Assist you in deciding whom to support politically based on sound analysis
- Conduct public opinion surveys to measure baselines and track attitudes toward B&C to assist you in successful planning and image improvement
- Keep you informed of political and legislative developments that impact B&C
- Help the candidates for office you prefer at the state and local level prevail in their campaigns
- Help get you involved in projects or causes that would benefit B&C
- Help keep you on good terms with some of our rowdy friends whom you may want to have generally positive opinions about B&C but whom you may not have the time (or the desire) to deal with regularly.

When last we were involved with B&C, our agency fee was probably larger than would be appropriate now, under very different conditions. But it is important to define how our fee system works.

Unlike lawyers and other consultants, we do not charge an hourly fee. After years of experience, we find hourly rates create the wrong chemistry. Paid by the hour, consultants seek busy work and clients often avoid calling them until its too late.

We prefer a fixed monthly retainer, which is predictable for both parties, and makes us an ongoing member of your strategic team. An advantage of our fixed fee is that we offer projects to our retainer clients on a cost recovery basis, which can offset most or all of the cost of the retainers, depending on the nature of the work. A benchmark survey, for example, would be billed several thousand dollars below the cost of such a study to non-retainer clients.

Having said all that, we propose a \$6,000 fixed monthly fee subject to review by either party at any time. Either party could ask for altered terms or terminate the retainer altogether with thirty days written notice. Again, unlike other consultants, we do not ask for a year's contract. As a value in our business model, we do not believe any client should be compelled to continue an unhappy relationship. More to the point, we anticipate a very positive, productive relationship both parties would want to continue.

We have spent enough time with you Buck, and my background with Edgerton is such, that we are very pleased with the idea of becoming a part of your team for as long as you find our services useful. We believe we can be helpful to you and to B&C as you create and execute your strategic plan for the future.

# Exhibit 5

**To:** Lisa Courson[eecourson@yahoo.com]  
**From:** Charles Beaman  
**Sent:** Thur 5/21/2015 8:38:04 AM  
**Importance:** Normal  
**Subject:** Re: CON Reform  
**Received:** Thur 5/21/2015 8:38:05 AM

Thank you for your willingness to take additional time to vet other proposals. This is an important issue for Palmetto Health and I appreciate your support. I will find ways to let our 10,000 employees know of your support.

Again, thank you!

Chuck

Sent from my iPhone

On May 20, 2015, at 9:24 PM, Lisa Courson <[cccourson@yahoo.com](mailto:cccourson@yahoo.com)> wrote:

Chuck,

Thank you for your note. While I am a free market conservative, I had a conversation with Richard Quinn tonight. Richard has been my friend and advisor for many years. After our talk, I have concluded it makes more sense to take a little more time to vet various proposals and various thresholds for CON reform. Therefore I plan to support the subcommittee's call for a resolution to oppose the \$50 million threshold at this time.

Again, Lisa and I extend our deepest sympathy to you and your family.

John Courson

On Wednesday, May 20, 2015 5:12 PM, Charles Beaman <[Charles.Beaman@PalmettoHealth.org](mailto:Charles.Beaman@PalmettoHealth.org)> wrote:

I intended to call you this evening but I have received news that my Mother-in-Law passed away early this morning and I'm sure you understand my need to be with my family and to support my wife Joni.

In the absence of talking with you personally, I am sending you this brief email in hopes that you will see it tonight. I'm sure you know the Senate Medical Affairs subcommittee, chaired by Senator Cleary, has unanimously recommended to the full committee that a resolution be passed to disapprove the regulation that sets a \$50 million threshold on hospital projects without any study being done to certify need.

I hope you will support the sub-committee's vote, which will prevent the Senate from acting in haste. Regardless of what type of CON reform we may need, supporting the sub-committee's vote will give us time to vet various proposals and come up with the right plan for South Carolina.

I sincerely regret that I will not be able to speak with you personally before your meeting tomorrow. I hold you in high regard and believe that you will give this request serious consideration. Thank you for your service to the State of South Carolina.

Chuck

Charles D. Beaman, Jr.  
Chief Executive Officer  
Palmetto Health

**To:** Julian Gibbons[Julian.Gibbons@palmettohealth.org]  
**From:** Richard Quinn  
**Sent:** Wed 5/20/2015 4:30:07 PM  
**Importance:** Normal  
**Subject:** Email Draft  
**Received:** Wed 5/20/2015 4:30:07 PM

Senator Courson's email: eecourson@yahoo.com

Senator Courson,

I was planning to call you tonight, but we have received sad news that my Mother-in-Law passed away early this morning and family matters must take priority.

Still, I'm sending you this brief email in hope you will see it tonight. I'm sure you know that the Senator Medical Affairs subcommittee, chaired by Senator Cleary, has unanimously recommended to the full committee that a resolution be passed to disapprove the \$50,000,000 threshold on hospital projects without any study being done to certify need.

I hope you will support the sub-committee's vote, which will prevent the Senate from acting in haste. Regardless of what type of CON reform we may need, supporting the sub-committee's vote will give us time to vet various proposals and come up with the right plan for South Carolina.

I'm sorry we couldn't speak personally before your meeting tomorrow morning. I hold you in extremely high regard. Thank you for your consideration, for your friendship and for your service to our State.

Thanks,

Chuck

**To:** Lisa Courson[eecourson@yahoo.com]  
**From:** Charles Beaman  
**Sent:** Thur 5/21/2015 8:38:04 AM  
**Importance:** Normal  
**Subject:** Re: CON Reform  
**Received:** Thur 5/21/2015 8:38:05 AM

Thank you for your willingness to take additional time to vet other proposals. This is an important issue for Palmetto Health and I appreciate your support. I will find ways to let our 10,000 employees know of your support.

Again, thank you!

Chuck

Sent from my iPhone

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Chuck,

Thank you for your note. While I am a free market conservative, I had a conversation with Richard Quinn tonight.

Richard has been my friend and advisor for many years. After our talk, I have concluded it makes more sense to take a little more time to vet various proposals and various thresholds for CON reform. Therefore I plan to support the subcommittee's call for a resolution to oppose the \$50 million threshold at this time.

Again, Lisa and I extend our deepest sympathy to you and your family.

John Courson

On Wednesday, May 20, 2015 5:12 PM, Charles Beaman <[Charles.Beaman@PalmettoHealth.org](mailto:Charles.Beaman@PalmettoHealth.org)> wrote:

I intended to call you this evening but I have received news that my Mother-in-Law passed away early this morning and I'm sure you understand my need to be with my family and to support my wife Joni.

In the absence of talking with you personally, I am sending you this brief email in hopes that you will see it tonight. I'm sure you know the Senate Medical Affairs subcommittee, chaired by Senator Cleary, has unanimously recommended to the full committee that a resolution be passed to disapprove the regulation that sets a \$50 million threshold on hospital projects without any study being done to certify need.

I hope you will support the sub-committee's vote, which will prevent the Senate from acting in haste. Regardless of what type of CON reform we may need, supporting the sub-committee's vote will give us time to vet various proposals and come up with the right plan for South Carolina.

I sincerely regret that I will not be able to speak with you personally before your meeting tomorrow. I hold you in high regard and believe that you will give this request serious consideration. Thank you for your service to the State of South Carolina.

Chuck

Charles D. Beaman, Jr.  
Chief Executive Officer  
Palmetto Health

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On Wednesday, May 20, 2015 5:12 PM, Charles Beaman <[Charles.Beaman@PalmettoHealth.org](mailto:Charles.Beaman@PalmettoHealth.org)> wrote:

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In the absence of talking with you personally, I am sending you this brief email in hopes that you will see it tonight. I'm sure you know the Senate Medical Affairs subcommittee, chaired by Senator Cleary, has unanimously recommended to the full committee that a resolution be passed to disapprove the regulation that sets a \$50 million threshold on hospital projects without any study being done to certify need.'

I hope you will support the sub-committee's vote, which will prevent the Senate from acting in haste. Regardless of what type of CON reform we may need, supporting the sub-committee's vote will give us time to vet various proposals and come up with the right plan for South Carolina.

I sincerely regret that I will not be able to speak with you personally before your meeting tomorrow. I hold you in high regard and believe that you will give this request serious consideration. Thank you for your service to the State of South Carolina.

Chuck

Charles D. Beaman, Jr.  
Chief Executive Officer  
Palmetto Health

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# Exhibit 6



STATE 0175853

**To:** Richard Quinn[rquinn9218@aol.com]  
**From:** Lisa Courson  
**Sent:** Wed 5/20/2015 9:24:34 PM  
**Importance:** Normal  
**Subject:** Re: Something like this???? Thank you John.  
**Received:** Wed 5/20/2015 9:24:36 PM

Sent it as is. You never know!

On Wednesday, May 20, 2015 9:12 PM, Richard Quinn <rquinn9218@aol.com> wrote:

Chuck,

So sorry to hear about your Mother-in-law. Lisa and I have you and your family in our thoughts and prayers.

Thank you for your note. While I am a free market conservative, I had a conversation with Richard Quinn tonight. Richard has been my friend and advisor for many years. After our talk, I have concluded it makes more sense to take a little more time to vet various proposals and various thresholds for CON reform. Therefore I plan to support the subcommittees call for a resolution to oppose the \$50 million threshold at this time.

Again, Lisa and I extend our deepest sympathy to you and you family.

John Courson.

Sent from my iPad

# Exhibit 7

**To:** Julian Gibbons[Julian.Gibbons@palmettohealth.org]  
**Cc:** Charles Beaman[Charles.Beaman@PalmettoHealth.org]; Delphine Bigony[Delphine.Bigony@PalmettoHealth.org]; Howard West[Howard.West@PalmettoHealth.org]; Maggie Mobley[Maggie.Mobley@PalmettoHealth.org]; dc@thecampbellconsultinggroup.net[dc@thecampbellconsultinggroup.net]; rquinn9218@aol.com[rquinn9218@aol.com]  
**From:** Ey, Mike  
**Sent:** Wed 5/20/2015 8:58:17 PM  
**Importance:** Normal  
**Subject:** Re: Senator Courson  
**Received:** Wed 5/20/2015 8:58:31 PM

Thanks.

Sent from my iPhone

> On May 20, 2015, at 8:57 PM, "Julian Gibbons" <Julian.Gibbons@palmettohealth.org> wrote:

>  
> I just got off the phone with Richard. As a followup to Chuck's email, he had an extensive conversation tonight with Senator Courson. He persuaded him to support the Senator Cleary Subcommittee recommendation. He intends to vote that way tomorrow morning at the Senate Medical Affairs Committee.

>  
> Thanks to everyone for your help and we will hope for a favorable outcome tomorrow!

>  
> Julian

>  
> Julian Gibbons  
> Sent from my iPad

>  
> -----

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>

## Exhibit 8

**To:** 'Matthew.Fowler@PalmettoHealth.org'[Matthew.Fowler@PalmettoHealth.org]  
**Cc:** 'Richard Quinn'[rquinn9218@aol.com]  
**From:** Perry, Richard (L. Graham)  
**Sent:** Thur 12/3/2015 5:37:32 PM  
**Importance:** Normal  
**Subject:** Palmetto Health Letter  
**Received:** Thur 12/3/2015 5:37:33 PM  
[Palmetto Health \(IRS - Tuomey Healthcare System\).pdf](#)

The attached letter was sent to the IRS today. We hope very much that this pushes them across the line. My personal apologies for the delay in action—when a request comes in from Quinn, not surprisingly Senator Graham wants to be involved in it personally—with the Holidays, Iraq and Middle East travel, and other items...that conversation didn't happen until this week. When it did, Senator Graham was wholeheartedly supportive.

Thanks for your understanding—please let us know what else we can do to push this over the line.

-Richard

Richard S. Perry  
Chief of Staff  
Office of Senator Lindsey Graham  
202-224-5972  
202-224-3808 (fax)



# Exhibit 9

BEFORE THE SOUTH CAROLINA STATE GRAND JURY #28

STATE OF SOUTH CAROLINA  
RICHLAND COUNTY

INVESTIGATION NUMBER: )

SGJ 2016-0257 )

ORIGINAL

TESTIMONY OF

**CHARLES D. BEAMAN, JR.**

\*\*\*\*\*

Wednesday, August 16, 2017  
9:40 a.m. - 10:41 a.m.

The testimony of CHARLES D. BEAMAN, JR. was taken before the State Grand Jury #28 at The Rembert C. Dennis Building, Columbia, South Carolina, on the 16th day of August, 2017, before Carla S. Dominick, Court Reporter and Notary Public in and for the State of South Carolina.



**CREEL COURT REPORTING, INC.**  
1230 Richland Street / Columbia, SC 29201  
(803) 252-3445 / (800) 822-0896

1 Health, and that's at the federal level. We,  
2 -- we, Palmetto Health, you may have read, took  
3 over the Tuomey Healthcare System that was in  
4 a lot of trouble with the government a couple  
5 years ago. And Palmetto Health took that over.  
6 We needed to have expedited 501(c)(3), not for  
7 profit status, from the IRS. The timing of  
8 that was critical and Richard Quinn has a very  
9 good working relationship at the -- at the  
10 federal level and particularly with Senator  
11 Lindsey Graham. And he called and expedited a  
12 meeting between Palmetto Health and Senator  
13 Graham's office to get his assistance in us  
14 getting an expedited, not for profit status  
15 ruling. Now that was true for Tuomey, that  
16 also was true when -- back in 2009, Palmetto  
17 Health and the Greenville Health System decided  
18 to co-own one of our hospitals in the upstate,  
19 the Baptist Easley Hospital in Pickens County.  
20 We had to perform a 501(c)(3) not for profit.  
21 The delay of getting that approval was -- could  
22 have been extensive. Richard again, was very  
23 instrumental in paving a pathway, if you will,  
24 by setting up meetings for us to meet with  
25 people that could expedite that. Those are





# Exhibit 10

**To:** Charles Beaman[Charles.Beamer@PalmettoHealth.org]; Delphine Bigony[Delphine.Bigony@PalmettoHealth.org]; Howard West[Howard.West@PalmettoHealth.org]; Maggie Mobley[Maggie.Mobley@PalmettoHealth.org]; MEY@MCNAIR.NET[MEY@MCNAIR.NET]; dc@thecampbellconsultinggroup.net[dc@thecampbellconsultinggroup.net]  
**Cc:** rquinn9218@aol.com[rquinn9218@aol.com]  
**From:** Julian Gibbons  
**Sent:** Wed 5/20/2015 8:57:14 PM  
**Importance:** Normal  
**Subject:** Senator Courson  
**Received:** Wed 5/20/2015 8:57:21 PM

I just got off the phone with Richard. As a followup to Chuck's email, he had an extensive conversation tonight with Senator Courson. He persuaded him to support the Senator Cleary Subcommittee recommendation. He intends to vote that way tomorrow morning at the Senate Medical Affairs Committee.

Thanks to everyone for your help and we will hope for a favorable outcome tomorrow!

Julian

Julian Gibbons  
Sent from my iPad

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# Exhibit 11

BEFORE THE SOUTH CAROLINA STATE GRAND JURY #28

STATE OF SOUTH CAROLINA  
RICHLAND COUNTY

INVESTIGATION NUMBER:

SGJ 2016-0257

ORIGINAL

TESTIMONY OF  
**MICHAEL GUNN**

\*\*\*\*\*

Tuesday, August 15, 2017  
9:43 p.m. - 10:24 p.m.

The testimony of MICHAEL GUNN was taken before the State Grand Jury #28 at The Rembert C. Dennis Building, Columbia, South Carolina, on the 15th day of August, 2017, before Carla S. Dominick, Court Reporter and Notary Public in and for the State of South Carolina.



**CREEL COURT REPORTING, INC.**

1230 Richland Street / Columbia, SC 29201

(803) 252-3445 / (800) 822-0896

1 A: I don't think so and that's certainly not we  
2 paid him for.  
3 Q: That isn't what you paid him for?  
4 A: That's not what we paid him for. No.  
5 Q: Okay. And so ---  
6 A: So if he was doing that, it was not what we --  
7 that's not what we asked him to do.  
8 Q: Okay. So basically y'all -- you're group is  
9 the lobbyists and he is ---  
10 A: The consultant.  
11 Q: --- his group is the consultants?  
12 A: That's correct.  
13 Q: Did you -- you never dealt with Jim Harrison as  
14 a member of RQ&A?  
15 A: No. I dealt with Jim Harrison has a member of  
16 a chairman of judiciary committee.  
17 Q: Okay. What about Tracy Edge? You ever deal  
18 with him as a member of RQ&A?  
19 A: I didn't even know he was a member of RQ&A, so  
20 no. I dealt with Tracy as a member.  
21 Q: What about Jim Merrill?  
22 A: I dealt with Jim Merrill as a member of the  
23 House of Representatives, and then Jim was  
24 actually -- prior to his election to the House  
25 of Representatives, was a consultant for the



## Exhibit 12

## Unknown

---

**From:** Pete Strom <petestrom@stromlaw.com>  
**Sent:** Saturday, April 02, 2011 4:33 PM  
**To:** rquinn9218@aol.com; Rick Quinn  
**Subject:** Fw: Richard Quinn and SCAJ money to Repubs

See below. Please, very confidential. Mark is in a panic  
Sent from my Blackberry  
Pete Strom  
Strom Law Firm LLC  
(O)803-252-4800  
(C)803-414-1700  
[petestrom@stromlaw.com](mailto:petestrom@stromlaw.com)  
[www.stromlaw.com](http://www.stromlaw.com)

----- Original Message -----

**From:** Mark C. Joye <[markjoye@joyelawfirm.com](mailto:markjoye@joyelawfirm.com)>  
**To:** Pete Strom; Kirk Morgan <[km@walkermorgan.com](mailto:km@walkermorgan.com)>  
**Sent:** Sat Apr 02 15:17:36 2011  
**Subject:** Richard Quinn and SCAJ money to Repubs

Pete,

Kirk just called me and I told him I would send you this email on it because we think it is a huge point to make to McConnell and is something that Richard should make to him and not me.

If word gets out that McConnell turned on us in this bill, it will have a pretty chilling effect on us giving the amount of money that we have consciously been doing the last 3 years while you, Kirk and I have been presidents. And with this PAC we started where we are going to be pooling our money (hopefully) at 1 million dollars, that could be quite a bit of money. Granted, that is dangerous play since we would need to pay money anyway to get into the game. But the fact of the matter is that we would be catching all sorts of hell from our members who have so far gone along with us on this paying republican favor only to have it backfire at the critical moment.

None of us can tell that to McConnell but wondering if that is something that Richard can. We(you) hired Richard and Rick for which they get paid about \$100,000 a year. I know Richard also does a lot of work for you. I know I just sent an earlier email questioning Rick but Richard is someone who must now get involved and help out in any way he can.

We are going to have a lot of egg on our faces if the main person we have to fight on this becomes McConnell.

Kirk, your point to me just now on this is right on. I know you are on Spring Break this week but if you can reach out to Richard now, now is that time. If for some reason you can't reach him, who can contact him about the above.

Thanks.

Mark

Sent from Mark Joye's iPad

# Exhibit 13



## Unknown

---

**From:** Pete Strom <petestrom@stromlaw.com>  
**Sent:** Saturday, April 02, 2011 4:35 PM  
**To:** rquinn9218@aol.com; Rick Quinn  
**Subject:** Fw: Conference Call

More and my response.  
Sent from my Blackberry  
Pete Strom  
Strom Law Firm LLC  
(O)803-252-4800  
(C)803-414-1700  
[petestrom@stromlaw.com](mailto:petestrom@stromlaw.com)  
[www.stromlaw.com](http://www.stromlaw.com)

----- Original Message -----

**From:** Pete Strom  
**To:** 'markjoye@joyelawfirm.com' <[markjoye@joyelawfirm.com](mailto:markjoye@joyelawfirm.com)>  
**Sent:** Sat Apr 02 15:35:31 2011  
**Subject:** Re: Conference Call

I am not worried about his loyalty. He is no true believer. This is business.

Sent from my Blackberry  
Pete Strom  
Strom Law Firm LLC  
(O)803-252-4800  
(C)803-414-1700  
[petestrom@stromlaw.com](mailto:petestrom@stromlaw.com)  
[www.stromlaw.com](http://www.stromlaw.com)

----- Original Message -----

**From:** Mark C. Joye <[markjoye@joyelawfirm.com](mailto:markjoye@joyelawfirm.com)>  
**To:** Pete Strom  
**Cc:** [mike@scaj.com](mailto:mike@scaj.com) <[mike@scaj.com](mailto:mike@scaj.com)>; [RHood@mcgowanhood.com](mailto:RHood@mcgowanhood.com) <[RHood@mcgowanhood.com](mailto:RHood@mcgowanhood.com)>; [sharongwilkinson@yahoo.com](mailto:sharongwilkinson@yahoo.com) <[sharongwilkinson@yahoo.com](mailto:sharongwilkinson@yahoo.com)>; [kenny@scaj.com](mailto:kenny@scaj.com) <[kenny@scaj.com](mailto:kenny@scaj.com)>; [km@walkermorgan.com](mailto:km@walkermorgan.com) <[km@walkermorgan.com](mailto:km@walkermorgan.com)>; [mgunn@forgeconsulting.com](mailto:mgunn@forgeconsulting.com) <[mgunn@forgeconsulting.com](mailto:mgunn@forgeconsulting.com)>  
**Sent:** Sat Apr 02 14:52:21 2011  
**Subject:** Re: Conference Call

Pete,

I have some concerns about Rick Quinn on this as I have never gotten a warm and fuzzy feeling that he is going to help us in the long run and that his allegiance and friendship with Hazzard trumps anything we have. I'm worried that Rick will tell Hazzard of our meeting with McConnell now on Tuesday and that im going to have Hazzard in the room now along with Rick quinn and I think if that happens, that meeting will be dead on arrival.

I know things are complicated with Richard and Rick and you can't do one thing without the other knowing. I don't think Rick Quinn in our meeting would be of any benefit - not sure he would attend anyway but he is such a friend of Hazzard I don't know how that helps us. Hazzard is not going to do anything for us at all and no pressure from anyone is going to step in the way of his wife.

I hope Richard can speak to gm about this. Hutto is going to try as well. We even discussed him coming with me but just not sure. The things he can say to GM is going to be stuff that I cannot say and not sure I want to be there as to that conversation be senators.

This is so complicated but I am voicing those concerns now.

Mark

Ps - enjoy Dominican republic this week! We'll keep you posted as best as we can.

Sent from Mark Joye's iPad

On Apr 2, 2011, at 11:40 AM, "Pete Strom" <[petestrom@stromlaw.com](mailto:petestrom@stromlaw.com)> wrote:

I spoke with Sara Hazard late yesterday and have filled Sharon and Gunn in on conversation. Gunn suggested we get Rick Quinn involved to help on Hazard and Richard to help with GM. I spoke with Rick this morning and he is seeing his Dad later today. His dad is writing a speech for GC and will be talking with him over the weekend.

Sent from my Blackberry

Pete Strom

Strom Law Firm LLC

(O)803-252-4800

(C)803-414-1700

<<mailto:petestrom@stromlaw.com>> [petestrom@stromlaw.com](mailto:petestrom@stromlaw.com)

<<http://www.stromlaw.com>> [www.stromlaw.com](http://www.stromlaw.com)

----- Original Message -----

From: Mike Hemlepp <[mike@scaj.com](mailto:mike@scaj.com)>

To: Mark C. Joye <[markjoye@joyelawfirm.com](mailto:markjoye@joyelawfirm.com)>; Pete Strom; [rhoon@mccgowanhood.com](mailto:rhoon@mccgowanhood.com) <[rhoon@mccgowanhood.com](mailto:rhoon@mccgowanhood.com)>; Sharon G. Wilkinson <[sharongwilkinson@yahoo.com](mailto:sharongwilkinson@yahoo.com)>; Kenny Hastie <[kenny@scaj.com](mailto:kenny@scaj.com)>; Kirk Morgan <[km@walkermorgan.com](mailto:km@walkermorgan.com)>

Cc: Mike Hemlepp <[mike@scaj.com](mailto:mike@scaj.com)>; Michael Gunn <[mgunn@forgeconsulting.com](mailto:mgunn@forgeconsulting.com)>

Sent: Thu Mar 31 17:09:28 2011

Subject: Conference Call

Mark has called for an emergency conference call for 11:30 am. Tomorrow, Friday, April 1, 2011.

877-544-8688

2926566

Mike

---

No virus found in this message.

Checked by AVG - <<http://www.avg.com>> [www.avg.com](http://www.avg.com)

Version: 10.0.1209 / Virus Database: 1500/3546 - Release Date: 04/02/11

# Exhibit 14

## Unknown

---

**From:** Pete Strom <petestrom@stromlaw.com>  
**Sent:** Tuesday, April 05, 2011 12:21 PM  
**To:** rquinn9218@aol.com; Rick Quinn  
**Subject:** Glenn

From the reports I am getting from the meeting this AM, sounds like Mr. Quinn worked his magic got him back on board!  
Sent from my Blackberry

Pete Strom  
Strom Law Firm LLC  
(O)803-252-4800  
(C)803-414-1700  
[petestrom@stromlaw.com](mailto:petestrom@stromlaw.com)  
[www.stromlaw.com](http://www.stromlaw.com)

# Exhibit 15

BEFORE THE SOUTH CAROLINA STATE GRAND JURY #28

STATE OF SOUTH CAROLINA  
RICHLAND COUNTY

INVESTIGATION NUMBER:       )  
  )  
SGJ2016-257                       )  
  )  
-----                            )

TESTIMONY OF

**JOSEPH PRESTON "PETE"  
STROM, JR., ESQUIRE**

\*\*\*\*\*

**Tuesday, May 8, 2018**  
11:40 a.m. - 12:30 p.m.

The continued testimony of JOSEPH PRESTON "PETE" STROM, JR., ESQUIRE was taken before the State Grand Jury #28 at The Rembert C. Dennis Building, Columbia, South Carolina, on the 8th day of May, 2018, before Carla S. Dominick, Court Reporter and Notary Public in and for the State of South Carolina.



**CREEL COURT REPORTING, INC.**  
1230 Richland Street / Columbia, SC 29201  
(803) 252-3445 / (800) 822-0896

1           our client's rights. So we decided, a few of  
2           us, that we needed to develop a Republican  
3           strategy where we were going to start reaching  
4           out to moderate Republicans and explain to them  
5           the importance of right to a trial by jury, you  
6           know, the importance of the civil justice  
7           system, how it works, and how some of the  
8           things that they were proposing and some of  
9           this tort reform was not fair to women, or stay  
10          at home mom, because it capped non-economic  
11          damages, and all these kind of things, and  
12          start trying to explain to them really what's  
13          going on with all of this. And we looked  
14          around and sort of the best connected  
15          Republican by a large margin was Richard Quinn.  
16          He was representing the phone company, the  
17          power company, and the university, and Blue  
18          Cross/Blue Shield. I mean, every blue chip  
19          company that you can image, he had  
20          relationships with and he's a smart guy, you  
21          know, you know, I've obviously learned through  
22          the news what a few people have done, but you  
23          know, I was impressed with him, and what I  
24          learned that he had done and what we wanted to  
25          be involved in, is he started with the baby



1 candidates. So if I'm a 25-year-old guy and I  
2 want to run for the house, you and I are  
3 political consultants, well, if you go to  
4 Richard Quinn, he starts writing all your  
5 speeches for you, and if you get in trouble  
6 with something you say, he helps you out of it.  
7 He gives you all the talking points. Those  
8 people really sort of become paralyzed to take  
9 his advice and that continues to grow as they  
10 stay in the legislature. So he had the ear of  
11 a lot of people inside the state government and  
12 outside of state government and had the respect  
13 of a lot of them. And I know y'all have all  
14 his emails and I don't know who all he dealt  
15 with, but he is an impressive guy. I mean, let  
16 me tell you, none of this was ever about Rick  
17 Quinn. Richard was a smart guy who had spent  
18 his time building a network of people, you  
19 know, Trey Walker, who is now the governor's  
20 chief of staff. At some point, Trey was a  
21 disciple of Richard Quinn, worked in his  
22 operations and Richard put him at Blue Cross  
23 and he was at the university for a while, and  
24 there are a lot of these people that have been  
25 kind of placed around. So what we needed was





1 not a lobbyist because we're smart and we  
2 understand the law and we understand where a  
3 comma goes and what words mean. We needed  
4 somebody to kind of introduce us into this  
5 community and almost give them permission to be  
6 friends with trial lawyers. If we can get in,  
7 we've got personality and the skill set to talk  
8 to them. So that was a part of it and then the  
9 other -- the third part was, we had a woman in  
10 our office and I cannot recall her name, I'm  
11 sorry, who was doing all of our PR work. I  
12 think she was making \$60,000 or \$70,000 a year  
13 and she was just not effective. And we want to  
14 be clear, we're talking about bringing somebody  
15 in or doing something else. The decision was  
16 made by the board to move her out and then I  
17 think Richard Quinn, when we all talked about  
18 this originally, he wanted \$10,000 a month and  
19 I think he told us that some of his clients  
20 paid him \$10,000 and some paid him \$20,000 a  
21 month, and I think it was negotiated down to  
22 \$100,000 for the year and their contract was to  
23 do all of our graphic work. We had a couple of  
24 big conventions and we do a magazine and there  
25 are flyers that go out on all of that and then



# Exhibit 16

**To:** Richard Quinn[rquinn9218@aol.com]  
**From:** Kenny Bingham  
**Sent:** Wed 8/22/2012 6:46:19 PM  
**Importance:** Normal  
**Subject:** Re: ATT&T MEET SET  
**Received:** Wed 8/22/2012 6:46:32 PM

Donel  
Kenny

On Aug 22, 2012, at 6:24 PM, "Richard Quinn" <rquinn9218@aol.com> wrote:

> Kenny & Rick,  
> Pam Lackey & her team will be here Wednesday 29th (next week).  
> She's coming at 11:00 and I expect she'll be here until 1:00 or maybe 2:00  
> but I don't need ya'll for the entire meeting. So, Pls mark 11:00-2:00 on  
> your calendars and I will give you more specific times early next week.  
> Sorry to be so vague on time, but I have to do an agenda, then I'll be  
> more specific.  
> Thank you.  
> RQ

> On 8/21/12 6:50 PM, "Kenny Bingham" <kbingham@aec-sc.com> wrote:

>> Mr. Quinn, I should be able to do any day next week. Just let me know  
>> what works best for you.

>>  
>> Kenny  
>>

>> On Aug 21, 2012, at 6:27 PM, "Richard Quinn" <rquinn9218@aol.com> wrote:

>>  
>>> Kenny, Pamela want to reschedule a meeting with us just to chat.  
>>> Rick is good any day next week EXCEPT Thursday. When would be best for  
>>> you?  
>>> Thanks  
>>> RQ Sr  
>  
>

# Exhibit 17

Message

---

**From:** Ed McMullen [ed@mcmullenpublicaffairs.com]  
**Sent:** 5/6/2015 3:56:47 PM  
**To:** LACKEY, PAMELA P [/O=SBC/OU=Momail/cn=Recipients/cn=pl4151]  
**CC:** SOSEBEE, JANE S [/O=SBC/OU=Momail/cn=Recipients/cn=js9342]  
**Subject:** Re: Gov

Yes LTE to gov from don with our new tax pledge statement would be perfect. Also Rick just told me merrill has been working the bill---he is a problem. Rick and I are talking at 1 on how to deal with him.

Sent from my iPhone

> On May 6, 2015, at 11:29 AM, LACKEY, PAMELA P <pl4151@att.com> wrote:  
>  
> I don't know. Ed?  
>  
> -----Original Message-----  
> From: SOSEBEE, JANE S  
> Sent: Wednesday, May 06, 2015 11:23 AM  
> To: LACKEY, PAMELA P; Ed McMullen  
> Subject: Gov  
>  
> Would it be helpful for Don to write to the Gov?  
>  
> Sent from my iPhone

# Exhibit 18

Message

---

**From:** LACKEY, PAMELA P [/O=SBC/OU=MOMAIL/CN=RECIPIENTS/CN=PL4151]  
**Sent:** 5/4/2016 11:13:39 PM  
**To:** FISHER, HANK [/O=SBC/OU=Momail/cn=Recipients/cn=hf2038]  
**Subject:** Re: Hurrah! SC bill gets 2nd reading.

Quinn's had a talk with him prior. Told him to lose with dignity, but don't do any harm.

Pamela Lackey  
President, AT&T S.C.  
Sent from my iPad

AT&T Mobilizing Your World!

On May 4, 2016, at 6:53 PM, FISHER, HANK <[hf2038@att.com](mailto:hf2038@att.com)> wrote:  
Ha. R u surprised? He trying to recover from recent press?

Sent from my BlackBerry 10 smartphone.

**From:** LACKEY, PAMELA P  
**Sent:** Wednesday, May 4, 2016 5:55 PM  
**To:** FISHER, HANK  
**Subject:** Re: Hurrah! SC bill gets 2nd reading.

2 hours of debate. Mr Merrill was a formidable opponent.

Pamela Lackey  
President, AT&T S.C.  
Sent from my iPad

AT&T Mobilizing Your World!

On May 4, 2016, at 3:51 PM, FISHER, HANK <[hf2038@att.com](mailto:hf2038@att.com)> wrote:  
Awesome!

Sent from my BlackBerry 10 smartphone.

**From:** LACKEY, PAMELA P  
**Sent:** Wednesday, May 4, 2016 3:21 PM  
**To:** FISHER, HANK  
**Subject:** Fwd: Hurrah! SC bill gets 2nd reading.

Pamela Lackey  
President, AT&T S.C.  
Sent from my iPad

AT&T Mobilizing Your World!

Begin forwarded message:

From: "LEAHY, WILLIAM" <[wl1921@att.com](mailto:wl1921@att.com)>  
Date: May 4, 2016 at 1:55:47 PM EDT  
To: "LACKEY, PAMELA P" <[pl4151@att.com](mailto:pl4151@att.com)>  
Cc: "CONDIT, DAVID P" <[dc2652@att.com](mailto:dc2652@att.com)>, "GODFREY, LJ" <[lg2713@att.com](mailto:lg2713@att.com)>  
Subject: RE: Hurrah! SC bill gets 2nd reading.  
Awesome!!!!

-----Original Message-----

From: LACKEY, PAMELA P  
Sent: Wednesday, May 04, 2016 1:52 PM  
To: LEAHY, WILLIAM <[wl1921@att.com](mailto:wl1921@att.com)>  
Subject: Hurrah! SC bill gets 2nd reading.

103-2 vote S277 passed House. We go back to Senate for concurrence after 3rd reading tomorrow.

Pamela Lackey  
President, AT&T S.C.  
Sent from my iPad

AT&T Mobilizing Your World!



# Exhibit 19

BEFORE THE SOUTH CAROLINA STATE GRAND JURY #28

STATE OF SOUTH CAROLINA  
RICHLAND COUNTY

INVESTIGATION NUMBER: )

SGJ 2016-0257 )  
----- )

**ORIGINAL**

TESTIMONY OF  
**CHARLES B. MCFADDEN**

\*\*\*\*\*  
Tuesday, August 15, 2017  
3:24 p.m. - 4:23 p.m.

The testimony of CHARLES B. MCFADDEN was taken before the State Grand Jury #28 at The Rembert C. Dennis Building, Columbia, South Carolina, on the 15th day of August, 2017, before Carla S. Dominick, Court Reporter and Notary Public in and for the State of South Carolina.



**CREEL COURT REPORTING, INC.**

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(803) 252-3445 / (800) 822-0896

1           -- well I can say I was responsible -- when Ms.  
2           Novinger retired, then I was responsible. But  
3           I didn't set it up.

4       Q:   What services did Richard Quinn and Associates  
5           perform for SCANA for that \$9,750 a month and  
6           even the \$6,000 a month when you were there?

7       A:   He was to do general PR type functions. He did  
8           polling, and surveying. He -- he did special  
9           projects when we needed those due -- needed  
10          special projects to be done. He helped us with  
11          some relationship issues that we had with a  
12          couple legislators.

13      Q:   Can you -- what were some of those relationship  
14          issues that he helped you with?

15      A:   I guess one was early on, probably around 2002  
16          or 2003, our CEO at the time, his name was Bill  
17          Timmerman, ---

18      Q:   Uh-huh.

19      A:   --- we had -- this was around -- I believe  
20          around Thanksgiving, we had, you know,  
21          departments with they have luncheons at the  
22          company. One of our departments had a luncheon  
23          and some employ- -- and Maurice Bessinger -  
24          this is -- Maurice Bessinger catered it.

25      Q:   Uh-huh.



- 1 A: And I know he wrote a letter of apology from  
2 Mr. Timmerman to Mr. -- to Senator McConnell.
- 3 Q: Okay.
- 4 A: But Mr. Quinn and Mr. Timmerman worked on that  
5 together. I didn't.
- 6 Q: Okay.
- 7 A: But I know it occurred and it got smoothed  
8 over.
- 9 Q: Okay. He was over to smooth over Senator  
10 McConnell?
- 11 A: Yes.
- 12 Q: And that goes to my next question. Was Richard  
13 Quinn and Richard Quinn and Associates able to  
14 provide SCANA with access to legislators, to  
15 house members, and senators?
- 16 A: No.
- 17 Q: They did not provide access to SCANA -- they  
18 did not provide SCANA with access to any  
19 legislators?
- 20 A: No.
- 21 Q: Okay.
- 22 A: If I'm understanding your question.
- 23 Q: Well, how did you ---
- 24 A: Well to sit down and lobby or whatever. No.
- 25 Q: To provide acc- -- to have legislators meet



- 1 A: I don't know.
- 2 Q: I'm going to show you slide ---
- 3 A: I think that -- I think that Richard and -- and
- 4 Courson had some relationship and he may have
- 5 done Richard's -- Courson campaign for him.
- 6 Q: And the reason SCANA hired and continued to
- 7 keep Richard Quinn and Associates under you had
- 8 nothing to do with the fact that he had a close
- 9 personal relationship with Kenny Bingham, Rick
- 10 Quinn, John Courson, and Jim Harrison, people
- 11 like that? And Jim Merrill. That didn't have
- 12 anything to do with it?
- 13 A: Well, we didn't pay him to do that kind of
- 14 work. We payed him to do the PR work and
- 15 things like that.
- 16 Q: And -- or you don't remember the meetings?
- 17 A: I don't remember that meeting.
- 18 Q: This slide number four. This is just an email
- 19 to you, and it's the red that I'm reading over
- 20 here. Ed McMullen, who is Ed McMullen?
- 21 A: He runs McMullen Public Affairs.
- 22 Q: And was he also close with Richard Quinn, Sr?
- 23 A: I think they knew each other, I'm not sure what
- 24 their relationship was.
- 25 Q: Okay. And just this quote to you; "Quinn and



# Exhibit 20

**To:** MCFADDEN, CHARLES B [CMCFADDEN@scana.com]  
**From:** Kenny Bingham  
**Sent:** Wed 11/13/2013 12:33:48 PM  
**Importance:** Normal  
**Subject:** Re: VC Summer  
**Received:** Wed 11/13/2013 12:33:55 PM

Charles, trust me, in no way do I think you are dragging your feet. Richard Quinn can tell you, I trust you implicitly. You have always been very honest with me, and that is why I have great respect for you. I realize that you are dealing with a very sensitive issue and one that has to be handled in a manner that requires time and discretion. No worries, I look forward to meeting with you when you finish your review.

Take care,  
 Kenny

---

**From:** <MCFADDEN>, Charles McFadden <cmcfadden@scana.com>  
**Date:** Wednesday, November 13, 2013 10:09 AM  
**To:** Kenny Bingham <kbingham@aec-sc.com>  
**Subject:** RE: VC Summer

Kenny—thanks. I know you must think I am dragging my feet on this but believe me I'm not. I just need to do it in a certain way and with as few people as possible. I will give you some feedback as soon as I can. Hopefully that will be in the next 2 weeks. Take care. Charles

---

**From:** Kenny Bingham [mailto:kbingham@aec-sc.com]  
**Sent:** Tuesday, November 12, 2013 9:49 PM  
**To:** MCFADDEN, CHARLES B  
**Cc:** Richard Quinn  
**Subject:** VC Summer

Charles,

I hope all is well. I just wanted to let you know that I had a very good conversation with Richard Quinn tonight and I now have a much better understanding of the process you are having to go through. In fairness to all, Richard did speak with me about this a couple weeks ago, but the day we spoke I was in a big hurry and I had another issue on my mind. The bottom line is that I did not process what he was saying to me. It was clearly my misunderstanding.

Anyway, sorry about the misunderstanding and confusion. The good news is that I think we are all on the same page now. I'll just wait to hear from you after you have time to complete your review.

Take care,  
 Kenny

Begin forwarded message:

**From:** Kenny Bingham <kbingham@aec-sc.com>  
**Date:** November 11, 2013 11:05:15 PM EST  
**To:** "MCFADDEN, CHARLES B" <CMCFADDEN@scana.com>  
**Subject:** Re: VC Summer

Charles, what is the status of this issue?

Kenny

On Oct 22, 2013, at 7:47 PM, "MCFADDEN, CHARLES B" <[CMCFADDEN@scana.com](mailto:CMCFADDEN@scana.com)> wrote:

I will.

---

**From:** Kenny Bingham [<mailto:kbingham@aec-sc.com>]

**Sent:** Tuesday, October 22, 2013 07:44 PM

**To:** MCFADDEN, CHARLES B

**Subject:** Re: VC Summer

Thanks for the update. Please keep me informed.

Kenny

On Oct 22, 2013, at 4:55 PM, "MCFADDEN, CHARLES B" <[CMCFADDEN@scana.com](mailto:CMCFADDEN@scana.com)> wrote:

I have started looking into this but it will take some time. I will keep you posted.

---

**From:** Kenny Bingham [<mailto:kbingham@aec-sc.com>]

**Sent:** Saturday, October 19, 2013 11:24 AM

**To:** MCFADDEN, CHARLES B

**Cc:** Richard Quinn <[RQuinn9218@aol.com](mailto:RQuinn9218@aol.com)>; Rick Quinn <[rick@rqasc.com](mailto:rick@rqasc.com)>; Bill Bingham <[bbingham@aec-sc.com](mailto:bbingham@aec-sc.com)>

**Subject:** Re: VC Summer

Charles, you are a friend and someone whom I have great respect for, so I never had any intention of proceeding until we have a chance to talk. I realize that you need to gather some information and that it may take a day or two for you to do so.

Have a good weekend. I look forward to meeting with you next week.

Kenny

On Oct 19, 2013, at 9:25 AM, "MCFADDEN, CHARLES B" <[CMCFADDEN@scana.com](mailto:CMCFADDEN@scana.com)> wrote:

Kenny--thanks for the heads up. I will contact you on Monday. I ask that you hold off until we have had a chance to talk early next week. Charles

---

**From:** Kenny Bingham [<mailto:kbingham@aec-sc.com>]

**Sent:** Friday, October 18, 2013 10:21 PM

**To:** MCFADDEN, CHARLES B

**Subject:** VC Summer

Charles, please see the email chain below. This does not sit well with me. This is the project that we were screwed on, and that I told you about. Unfortunately, SCE&G refused to do anything about it, although you confirmed that we were wrongfully denied this project.

I intend to ask PSC to investigate, as well as sending this to the media. As a courtesy, I wanted to give you a heads up. The citizens of this state WILL NOT be paying for this. If SCE&G wants to eat this additional \$15 Million, there is nothing I can do about that. But you can rest assured that I'm going to make sure that no one else pays for this additional cost.



Kenny Bingham

Begin forwarded message:

**From:** Bill Bingham <[bbingham@aec-sc.com](mailto:bbingham@aec-sc.com)>  
**Date:** October 18, 2013, 6:42:27 PM EDT  
**To:** Kenny Bingham <[kbingham@aec-sc.com](mailto:kbingham@aec-sc.com)>  
**Subject:** Fwd: VC Summer WTP ~ Shaw/Jacobs/Garney

Bill Bingham

[bbingham@aec-sc.com](mailto:bbingham@aec-sc.com)  
Begin forwarded message:

**From:** Bill Edmonds  
<[bedmonds@mbkahn.com](mailto:bedmonds@mbkahn.com)>  
**Date:** October 18, 2013, 10:14:14 AM EDT  
**To:** Doug Wilson <[DWilson@heyward.net](mailto:DWilson@heyward.net)>  
**Cc:** American Engineering <[bbingham@aec-sc.com](mailto:bbingham@aec-sc.com)>, Angel Rivas <[arivas@aec-sc.com](mailto:arivas@aec-sc.com)>, AC Arn <[acarnn@mbkahn.com](mailto:acarnn@mbkahn.com)>  
**Subject:** Re: VC Summer WTP ~ Shaw/Jacobs/Garney

Not sure how they are getting away with that, when we indicated from the beginning chem was going to be needed. Sounds like they have a sweetheart deal going to me. Shaw is cost plus with SCEG so they have no reason to keep the cost down.

*Bill Edmonds, Executive Vice President  
M.B. Kahn Construction Company, Inc.  
Water Works Division  
[bedmonds@mbkahn.com](mailto:bedmonds@mbkahn.com)  
Direct: [803-227-5213](tel:803-227-5213)  
Cell: [803-917-5316](tel:803-917-5316)  
Fax: [803-736-5324](tel:803-736-5324)*

On Fri, Oct 18, 2013 at 10:06 AM, Doug Wilson <[DWilson@heyward.net](mailto:DWilson@heyward.net)> wrote:

Heard the other day that the original pilot did

not work as planned, and they may have added chemical pretreatment prior to the membranes, and the project size has been increased from ~\$15M to ~\$30M.

Also heard that Garney is also doing the same system for Plant Vogtle.

Would be interested to hear any feedback you might have heard.

# Exhibit 21

STATE 0123839

**To:** rquinn9218@aol.com[rquinn9218@aol.com]  
**From:** MCFADDEN, CHARLES B  
**Sent:** Mon 1/30/2012 4:06:13 PM  
**Importance:** Normal  
**Received:** Mon 1/30/2012 4:06:16 PM

Richard—are you and your team available Friday morning around 9:30 for us to meet? Charles

## Exhibit 22

**To:** Richard Quinn[rquinn9218@aol.com]  
**From:** MCFADDEN, CHARLES B  
**Sent:** Tue 1/31/2012 3:15:59 PM  
**Importance:** Normal  
**Subject:** RE: Friday 9:30 Meet UPDATE  
**Received:** Tue 1/31/2012 3:16:03 PM

OK. See you on Friday.

---

**From:** Richard Quinn [mailto:rquinn9218@aol.com]  
**Sent:** Tuesday, January 31, 2012 9:52 AM  
**To:** MCFADDEN, CHARLES B  
**Subject:** Re: Friday 9:30 Meet UPDATE

Jim Harrison will be out of town Friday but asked me to brief him on our discussion.

RQ

---

**From:** "cmcfadden@scana.com" <cmcfadden@scana.com>  
**Date:** Tue, 31 Jan 2012 13:17:23 +0000  
**To:** Richard Quinn <rquinn9218@aol.com>  
**Subject:** RE: Friday 9:30 Meet

Got it on my calendar. See you Friday.

---

**From:** Richard Quinn [mailto:rquinn9218@aol.com]  
**Sent:** Monday, January 30, 2012 4:41 PM  
**To:** MCFADDEN, CHARLES B  
**Subject:** Friday 9:30 Meet

Charles,  
Kenny, Rick and I look forward to seeing you Friday morning at 9:30.  
Richard

---

**From:** "cmcfadden@scana.com" <cmcfadden@scana.com>  
**Date:** Mon, 30 Jan 2012 21:06:13 +0000  
**To:** Richard Quinn <rquinn9218@aol.com>

Richard—are you fellas available Friday morning around 9:30 for us to meet? Charles

# Exhibit 23

**To:** JACKSON, KENNETH R[KJACKSON@scana.com]  
**Cc:** Rick Quinn[rick@rqasc.com]  
**From:** Richard Quinn  
**Sent:** Tue 2/17/2015 1:17:39 PM  
**Importance:** Normal  
**Subject:** BTW  
**Received:** Tue 2/17/2015 1:17:39 PM

Kenny,

Rick, Jim Merrill and Kenny Bingham are the 3 McFadden normally met with to chat.

On the Democrat side, James Smith and Beth Bernstein are also friends.

Would you like to include James and/or Beth? Or just stick to the 3? I am adding Rick to this chain to help us coordinate. Everyone understands this is not lobbying, but more a friendly get together.

Because they are in budget now, we may need to set up a lunch in a private room at the Palmetto Club, so they won't have to drive all the way to Cayce.

Best, RQ

---

**From:** "JACKSON, KENNETH R" <KJACKSON@scana.com>  
**Date:** Tue, 17 Feb 2015 13:13:52 +0000  
**To:** Richard Quinn <rquinn9218@aol.com>  
**Subject:** RE: Graham TV

Richard,

Are you still planning to schedule your annual sit down meeting with Kenny Bingham and others?

Thanks.

Kenny Jackson  
SCANA



## Exhibit 24

**To:** JACKSON, KENNETH R [KJACKSON@scana.com]  
**Cc:** Richard Quinn [rqulnn9218@aol.com]  
**From:** Rick Quinn  
**Sent:** Thur 2/19/2015 5:55:48 PM  
**Importance:** Normal  
**Subject:** Re: BTW  
**Received:** Thur 2/19/2015 5:55:55 PM

Just found out jimmy is in d.c. Next week...does the following week work for you two?

Sent from my iPhone

On Feb 17, 2015, at 4:12 PM, JACKSON, KENNETH R <KJACKSON@scana.com> wrote:

Richard,

Lets plan to meet with Rick, Jim and Kenny at this time.

Lunch sounds good. Just let me know what day is good for them>

Thanks Richard.

Kenny

---

**From:** Richard Quinn [mailto:rqulnn9218@aol.com]

**Sent:** Tuesday, February 17, 2015 1:18 PM  
**To:** JACKSON, KENNETH R  
**Cc:** Rick Quinn  
**Subject:** BTW

\*\*\*This is an EXTERNAL email. Please do not click on a link or open any attachments unless you are confident it is from a trusted source.

---

Kenny,

Rick, Jim Merrill and Kenny Bingham are the 3 McFadden normally met with to chat.

On the Democrat side, James Smith and Beth Bernstein are also friends.

Would you like to include James and/or Beth? Or just stick to the 3? I am adding Rick to this chain to help us coordinate. Everyone understands this is not lobbying, but more a friendly get together.

Because they are in budget now, we may need to set up a lunch in a private room at the Palmetto Club, so they won't have to drive all the way to Cayce.

Best, RQ

---

**From:** "JACKSON, KENNETH R" <[KJACKSON@scana.com](mailto:KJACKSON@scana.com)>  
**Date:** Tue, 17 Feb 2015 13:13:52 +0000  
**To:** Richard Quinn <[rquinn9218@aol.com](mailto:rquinn9218@aol.com)>  
**Subject:** RE: Graham TV

Richard,

Are you still planning to schedule your annual sit down meeting with Kenny Bingham and others?

Thanks.

Kenny Jackson  
SCANA

# Exhibit 25

BEFORE THE SOUTH CAROLINA STATE GRAND JURY #28

STATE OF SOUTH CAROLINA  
RICHLAND COUNTY

INVESTIGATION NUMBER: )  
SGJ 2016-0257 )  
\_\_\_\_\_ )

**ORIGINAL**

**TESTIMONY OF  
HARRIS PASTIDES**

\*\*\*\*\*  
Wednesday, August 16, 2017  
3:34 p.m. - 4:45 p.m.

The testimony of HARRIS PASTIDES was taken before the State Grand Jury #28 at The Rembert C. Dennis Building, Columbia, South Carolina, on the 16th day of August, 2017, before Carla S. Dominick, Court Reporter and Notary Public in and for the State of South Carolina.



**CREEL COURT REPORTING, INC.**  
1230 Richland Street / Columbia, SC 29201  
(803) 252-3445 / (800) 822-0896

1 an interim and we decided not to hire an in-  
2 house second lobbyist, but to hire a contract  
3 firm, McGuireWoods, and they continue with us  
4 along with Ms. Mills up until today.

5 Q: Do you know what their monthly retainers are?

6 A: No, I do not.

7 Q: All right. So let's go back again to 2010,  
8 when you're meeting Richard Quinn a few times  
9 with and without Ms. Lawrence?

10 A: Yes.

11 Q: To get comfortable with what he can provide for  
12 the university. Tell the Grand Jury what it  
13 was that you believed he could do for USC?

14 A: He seemed to have his finger on the pulse of  
15 community sentiment, how communities, people,  
16 business officials, elected officials thought  
17 about the university, were we doing well, were  
18 we being fair to the state, were we being a  
19 good partner in the Midlands. He seemed to be  
20 able to collect data and provide mainly to  
21 Luanne, eventually to me, but mainly to Luanne,  
22 important feedback that could direct her in  
23 developing things like our branding, our  
24 marketing, our printed material, and -- and  
25 basically to improve our image or public



# Exhibit 26

**To:** Richard Quinn[rquinn9218@aol.com]; Rick Quinn[quinnrep@rqasc.com]; Rick Quinn[rick@rqasc.com]  
**From:** Trey Walker  
**Sent:** Tue 3/27/2012 3:02:53 PM  
**Importance:** Normal  
**Subject:** Courson - USC budget  
**Received:** Tue 3/27/2012 3:02:53 PM  
Senate Budget Requests 2012-13.doc

Attached is USC's budget requests for the Senate. Courson will be even more key than ever on Senate Finance. He is our budget sub committee Chairman. If he pushes Leatherman for USC, we should be in good shape. Should we all three meet with him? Or what is best? I would like the home team to continue to get credit for budget on the Senate side. Thoughts?

--

**Trey Walker**  
803-206-0847  
[treywalker01@gmail.com](mailto:treywalker01@gmail.com)



**University of South Carolina  
2012-2013 Budget Requests - Senate**

**Recurring Funds Requested**

<b>I. Palmetto College</b>	<b>\$5,000,000</b>	
House Budget Action:	<b>\$5,000,000</b>	<b>(1/2 recurring, 1/2 Capital Reserve)</b>

Palmetto College will increase affordability, accessibility and opportunity to rural South Carolinians. This collaborative effort includes USC Columbia and all system campuses. This effort repositions our four regional campuses and takes advantage of the Associate degree offerings and adds online four-year baccalaureate degrees. South Carolinians will be able to earn a degree without leaving their community. The result is more graduates in high demand, employable fields in South Carolina. Funds will be used to develop asynchronous curriculums.

**Non-Recurring Funds Requested**

<b>II. School of Law</b>	<b>\$10,000,000</b>	
House Budget Action:	<b>\$10,000,000</b>	<b>(Capital Reserve)</b>

The new Law School campus combines historic buildings with new facilities on Senate Street adjacent to the National Advocacy Center and in the vicinity of the State House, Supreme Court and Court of Appeals. Our only public School of Law in South Carolina is housed in a facility that has outlived its useful life. When the General Assembly last approved a capital improvement Bond Bill, the Law School was allotted \$10 million in proceeds which was used to buy land for a new building and develop plans with the remainder reserved for construction. Private fundraising is ongoing and the University's Board of Trustees has committed \$30M in future borrowing. The new School of Law will provide students opportunities and experiences unavailable elsewhere. Our new dean and refreshed curriculum has sparked energy, excitement and pride.

<b>III. Capital Renewal – Deferred Maintenance</b>	<b>\$20,000,000 for USC System</b>
House Budget Action:	<b>\$2,285,568 (Capital Reserve/No Columbia Appropriation)</b>

The University of South Carolina is comprised of eight campuses across the state with more than 6 million square feet of teaching and research space. Several of our buildings are more than 100 years old and as budgets were reduced since 2008, and earlier following 2001, funding for routine maintenance was delayed and offset to support the core University mission. USC is grateful to the General Assembly for \$11 million in Capital Reserve Funds in this year's budget. These funds have helped meet dire needs in roofing, HVAC and safety concerns. USC needs additional support for maintenance and improvement projects for existing infrastructure.

For the USC System, the requested funds are utilized as follows:

Hamilton College Renovation -	\$10,000,000
Horseshoe Windows -	\$ 2,000,000
Central Steam Lines -	\$ 1,000,000
1600 Hampton Renovation -	\$ 500,000
Campus Masonry Repair -	\$ 500,000
Campus Emergency Management Systems	\$ 500,000
Streamline –Expansion Joints	\$ 500,000
USC Aiken – Deferred Maintenance	\$ 1,500,000

USC Beaufort – Deferred Maintenance	\$ 1,500,000
USC Upstate – Deferred Maintenance	\$ 1,500,000
USC Lancaster – Gregory Center	\$ 200,000
USC Salkehatchie – Deferred Maintenance	\$ 125,000
USC Sumter – Deferred Maintenance	\$ 125,000
USC Union – Deferred Maintenance	\$ 50,000

#### **IV. Update and Expand Research Lab Equipment      \$5,000,000**

The University of South Carolina, through its research and education activities, supports a large number of industrial partners across the state of South Carolina in the fields of energy, materials and aerospace engineering. Faculty and students are engaged in scientific research addressing specific needs of these partners in product development and maintenance and process improvement. The University is also actively engaged in economic development efforts aiming to expand the state's Industrial base and frequently offers its research services as an incentive during the recruiting of new companies to South Carolina. The requested one-time funds will allow us to update and expand the equipment in our research laboratories in support of these efforts in the fields of energy, materials and aerospace engineering research.

#### **Support for Additional Items Requested**

##### **Reform of Higher Education Funding**

The University of South Carolina seeks a fair and equitable distribution of higher education funding that is based on performance, accountability and transparency. As the Flagship University of the state, USC is poised to lead efforts that match funding with criteria that include serving resident students, improving the quality of their education and leading in economic development.

##### **Education Lottery Scholarships – Continue Funding and Support**

USC Columbia educates our state's largest number of Lottery Scholarship-supported scholars, including 1,430 Palmetto Fellow Awards, a 59% increase from 2005-2011 and 6,374 Life Awards. These awards demonstrate the interest South Carolina's best and brightest students have in our academic programs. Additionally, USC's Flagship Campus has the highest first-to-second year retention rate among public universities for Life and Palmetto Fellow awardees – 64.5% and 90.4%, respectively.

##### **SmartState Endowed Chairs - Resume Funding and Support**

USC has attracted 16 SmartState chairs and through their innovation, attracted a half-dozen new companies, created new jobs and continues to bring cutting-edge research to our state.

# Exhibit 27

**To:** Richard Quinn[rquinn9218@aol.com]  
**From:** Walker Trey  
**Sent:** Fri 1/11/2013 7:55:31 AM  
**Importance:** Normal  
**Subject:** Re: USC 2013 Legislative Priorities  
**Received:** Fri 1/11/2013 7:55:35 AM

I was hoping that Rick had shared with you my effort to try and get in loop on this situation and what i had learned was going on with all retained consultants and the funding issue and decisions being made.

We should chat or meet so i can download and proceed accordingly with a plan of action.

--

Via Trey Walker iPhone.

On Jan 10, 2013, at 8:20 PM, Richard Quinn <rquinn9218@aol.com> wrote:

He got it current, but as I say, Rebecca was informed by email that the purchase order ends in January.

---

**From:** "treywalker01@gmail.com" <treywalker01@gmail.com>  
**Date:** Thu, 10 Jan 2013 17:37:07 -0500  
**To:** Richard Quinn <rquinn9218@aol.com>  
**Cc:** "rick@rqasc.com" <rick@rqasc.com>  
**Subject:** Re: USC 2013 Legislative Priorities

After Rick and i spoke last week, i approached Ed about yall not being paid since august. He said he would get it current right away.

As for leper, you're in good company w me.

--

Via Trey Walker iPhone.

On Jan 10, 2013, at 5:33 PM, Richard Quinn <rquinn9218@aol.com> wrote:

Trey, I'm not sure I'm on the team any more.  
I can't get Ed to return any of my calls. Left 3 or 4 messages.

This week Rebecca was notified by email that the purchase order for our services was extended to pay past billings but ends in January.

Not sure what's up. But I'm beginning to feel like a leper.

RQ

---

**From:** "treywalker01@gmail.com" <treywalker01@gmail.com>  
**Date:** Thu, 10 Jan 2013 17:17:19 -0500  
**To:** Richard Quinn <rquinn9218@aol.com>, "rick@rqasc.com" <rick@rqasc.com>  
**Subject:** USC 2013 Legislative Priorities

Attached and below are USC's budget priorities this year. I wanted you to be familiar with them - an be fluent

in them if you talk to Pastides and Walton.

Also, I think it would be good to get the "team" together like last time to go over them. Maybe we could get Jimmy and Kenny to join us all for dinner somewhere with Pastides to discuss.

Palmetto College \$2,115,000

Palmetto College may be the most significant investment that the General Assembly has made to increase affordability and accessibility to four-year baccalaureate degrees in high-demand professions. Starting in fall 2013, rural, working or place-bound South Carolinians can complete or earn USC baccalaureate degrees online without leaving their jobs, families or communities. In coordination with the regional campuses, the new college offers an array of courses in programs offered through the system's flagship and comprehensive campuses. This college ensures that there is a USC degree opportunity for all residents.

On Your Time Graduation Initiative \$5,000,000

USC students will be able to complete their degrees quicker and reduce overall tuition costs and loan debt with the pilot On Your Time Graduation initiative. By redefining the traditional university academic calendar, providing flexibility and maximizing assets, USC will become a model for colleges and universities in the state. Changes include:

- providing a third full semester of classes during the summer,
- increasing the number of core and STEM courses,
- reducing class size, and
- more opportunities for degree completion.

Equitable Parity Funding Allocation per FTE \$8,330,000

A dramatic disparity exists among higher education institutions in funding received per in state resident student. For 2012, the calculated funding per South Carolina Full-Time Equivalent student averaged \$2,487. USC's request is to bring Senior (Aiken, Beaufort & Upstate) and Palmetto College campuses (Lancaster, Sumter, Salkehatchie & Union) to that average.

Deferred Maintenance \$22,250,000

The University of South Carolina system is comprised of eight campuses across the state with more than 6 million square feet of teaching and research space. Several of our buildings are more than 100 years old. As state funding for higher education has been drastically reduced over the last decade, routine maintenance has delayed or funded internally by revenue that would ordinarily support the core University missions. USC is grateful to the General Assembly for previous appropriations that help defray USC's overall annual deferred maintenance costs. FY 2013-14 deferred maintenance funding will allow USC to address dire needs in renovation, roofing, HVAC and safety concerns with existing infrastructure.

--

Trey Walker  
803-206-0847  
[treywalker01@gmail.com](mailto:treywalker01@gmail.com)

## Exhibit 28

BEFORE THE SOUTH CAROLINA STATE GRAND JURY #28

STATE OF SOUTH CAROLINA  
RICHLAND COUNTY

INVESTIGATION NUMBER: )

SGJ 2016-0257 )  
\_\_\_\_\_)

**ORIGINAL**

TESTIMONY OF

**EDWARD HARRIS  
"TREY" WALKER, III**

\*\*\*\*\*

**Tuesday, August 16 2017**  
1:34 p.m. - 3:32 p.m.

The testimony of EDWARD HARRIS "TREY" WALKER, III was taken before the State Grand Jury #28 at The Rembert C. Dennis Building, Columbia, South Carolina, on the 16th day of August, 2017, before Carla S. Dominick, Court Reporter and Notary Public in and for the State of South Carolina.



**CREEL COURT REPORTING, INC.**  
1230 Richland Street / Columbia, SC 29201  
(803) 252-3445 / (800) 822-0896

- 1 A: Rick had served in the general assembly prior  
2 and had come back -- I want to properly  
3 characterize this. He was -- he's very good  
4 and smart in dealing with building coalitions  
5 and because I had that relationship with him  
6 and because he was friends with those guys, he  
7 could help me build coalitions on the floor and  
8 bring people who ordinarily wouldn't support  
9 USC's budget stuff into supporting it.
- 10 Q: And Richard was -- Richard was also needed to  
11 get Jimmy and Kenny in, to get them in line?
- 12 A: He was very useful in giving political advice  
13 because folks listen to him and thought that  
14 when he said something that it was -- it was  
15 very important, so he was, you know, he was  
16 very important. Also, he worked for USC.
- 17 Q: He was very respected by Merrill and Bingham,  
18 wouldn't you say?
- 19 A: Uh-huh (affirmative response).
- 20 Q: And they also -- did you know that time that  
21 they received stipends or retainers from RQ&A,  
22 Jimmy Merrill ---
- 23 A: No, ---
- 24 Q: --- and Kenny Bingham?
- 25 A: I -- I knew that Jimmy had worked on and off





# Exhibit 29

Cc: Quinn Richard[rquinn9218@aol.com]  
To: Kevin Hall[kevin.hall@wcsr.com]  
From: Ed McMullen  
Sent: Tue 6/3/2014 5:56:28 PM  
Importance: Normal  
Subject: Re: DRAFT OF COURSON LETTER  
Received: Tue 6/3/2014 5:56:55 PM

Here is Richards draft and some edits for Courson ltr. What u think?  
Sent from my iPhone

On Jun 3, 2014, at 5:16 PM, Richard Quinn <[rquinn9218@aol.com](mailto:rquinn9218@aol.com)> wrote:

Dear \_\_\_\_\_:

In the interest of time, I am sending you this letter electronically with a request that you forward this message to your chairman and other members of the Commission.

Just today I received a copy of a letter the Provost of the University of South Carolina submitted to your Commission. That letter clearly expresses concern that there is confusion about how the Infilaw proposal to purchase a private law school in Charleston, S.C. should be evaluated.

Also, I am aware that the Attorney General issued an opinion this past Friday regarding the criteria the Higher Education Commission is authorized by law to employ in evaluating proposed private transactions of this type. And finally, I noted that a majority of the seats on your Commission are either vacant or expired.

As a result of these factors, and in the interest of making a decision that is in compliance with the law, I would like to recommend that the Commission on Higher Education postpone a vote on the Infilaw proposal until your members have sufficient time to review and consider the new information they have

received. I am also, by copy of this message to the counsel for Infilaw, suggesting that they consider withdrawing their request for approval of their purchase proposal until the Commission and its staff have time to more carefully review these matters.

Thank you for considering my views on this matter.

# Exhibit 30

**To:** Daddy[rquinn9218@aol.com]  
**From:** Rick Quinn  
**Sent:** Wed 8/6/2014 1:55:18 PM  
**Importance:** Normal  
**Subject:** Fwd: To Do list from yesterday  
**Received:** Wed 8/6/2014 1:55:19 PM

FYI

Sent from my iPhone

Begin forwarded message:

**From:** "Hall, Kevin" <Kevin.Hall@wcsr.com>  
**Date:** August 6, 2014 at 11:50:49 AM EDT  
**To:** "Rick Quinn (rick@rqasc.com)" <rick@rqasc.com>, "Jimmy Merrill (jmgeech@homesc.com)" <jmgeech@homesc.com>  
**Subject:** To Do list from yesterday

Jimmy and Rick, it was great to see y'all yesterday and to catch up. I enjoyed it. Below is my attempt to come up with a "to do list" from my notes. Let's set a target date of August 22 touch base on the below and see what we have each Lord from our "to do" items. Thanks.

Rick	Jimmy	Kevin
Elizabeth Jackson – to see up to her and take her temperature on InfiLaw.		Vacant at-large seat-touch base with Gov.'s office for possible appointees, including Eaddy Roe Willard.
Citadel – talk to James Smith regarding willingness for Dylan Goff to serve and ability to withstand Kay Hearn pressure.	Public Tech Colleges – talk to Mary Thornley to get lay of land on tech colleges, whose turn it is to have a CHE seat, and who might be a reliable nominee.	Public Tech Colleges – talk to Gov.'s office to see if they have any more information on "whose turn" it is.
Jennifer Settlemeyer – ask Ted Vick about her and see what we can learn.		
Adm. Chuck Munns -		

coordinate with legislative colleagues to arrange his reappointment to 2nd District seat.		
Dianne Kuhl - call Tommy Stringer to learn more about her, her views on InfiLaw, and how to secure her support.		
Kim Phillips (5 <sup>th</sup> Dist.) - identify possible "grassroots" replacements for him that can become Gary Simrill's idea and his preferred appointment.		
Hood Temple (6 <sup>th</sup> Dist.) - talk to Ed Givens to come up with possible "grassroots" nominee from African-American community.		
Vacant 7 <sup>th</sup> Dist. Seat - Rick and Jimmy to confer with each other to identify possible appointee.		

**KEVIN A. HALL**  
ATTORNEY AT LAW

**WOMBLE CARLYLE SANDRIDGE & RICE, LLP**  
1727 Hampton Street | Columbia, SC 29201  
T 803 454 7710 | F 803 381 9110 | [kevin.hall@wcsr.com](mailto:kevin.hall@wcsr.com)  
[Firm Website](#) | [My Bio](#) | [VCard](#)

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# Exhibit 31







# Exhibit 32

STATE 079231

**KISSAM, W K**

---

**From:** KISSAM, W K  
**Sent:** Thursday, June 23, 2016 7:36 AM  
**To:** JACKSON, KENNETH R; MARSH, KEVIN B

Richard Quinn working for Rice to defeat Martin, so Rankin can fill his committee head. Gotta love politics!

# Exhibit 33

MARSH, KEVIN B

---

**From:** MARSH, KEVIN B  
**Sent:** Tuesday, February 2, 2016 10:58 AM  
**To:** KISSAM, W K  
**Subject:** RE:

Ugh.

---

**From:** KISSAM, W K  
**Sent:** Friday, January 29, 2016 7:25 AM  
**To:** JACKSON, KENNETH R <KJACKSON@scana.com>; MARSH, KEVIN B <KMARSH@scana.com>  
**Subject:**

Try not to throw up reading this, but Lewis and Richard are all over it – Wilson for governor – get ready.....and then see how they spread our money (campaign fund) to liberal opportunists like James Smith – pack of thieves.....

**Alan Wilson Paid A Ton Of Money To A Liberal Lawyer**

**OUT OF HIS CAMPAIGN ACCOUNT ... RIGHT BEFORE ISSUING A HUGE  
CONTROVERSIAL RULING ...**

S.C. attorney general and presumed “Republican” gubernatorial candidate **Alan Wilson** paid a whopping \$28,000 out of his campaign account late last year to former Democratic minority leader **James Smith** – a state lawmaker and prominent liberal attorney in Columbia, S.C.

Wilson and Smith did not immediately respond to messages seeking comment on why such an unusually large sum of money was transferred – or why the payment was made from Wilson’s campaign account.

According to S.C. State Election Commission (SCSEC) filings, the questionable disbursement – which accounted for nearly two-thirds of Wilson’s total quarterly expenditures – was listed as having been made on November 24, 2015.

That’s two weeks before Wilson’s office released a hugely controversial opinion in response to a request from Democratic first circuit solicitor **David Pascoe** relating to an ongoing investigation into public corruption at the S.C. State House.

Coincidence? Our sources think not ...

“The powerful Democratic lawyer was probably hired to talk to the Democratic solicitor,” one source close to Pascoe’s office told us.

Wilson was supposed to be leading the State House anti-corruption investigation – but recused himself last summer citing undisclosed conflicts of interest.

He didn’t stay away from “the probe” for long, though.

Wilson's December 11 opinion – obtained exclusively by this website – clearly sought to steer Pascoe's investigation in such a way as to benefit elected officials belonging to the political stable of his neo-Confederate consultant, **Richard Quinn**.

The opinion was so flagrantly self-serving, in fact, that we're told it has attracted the attention of some of the same federal investigators who were originally working with Wilson's office in an effort to identify which State House lawmakers were on the take.

Incidentally, Wilson's campaign paid Quinn's firm – Richard Quinn and Associates – nearly \$11,000 in three separate payments during the fourth quarter of 2015, according to SCSEC documents.

How cozy ...

This website has taken an increasingly dim view of Wilson in light of his ongoing failure to do the job he was elected to do – a job *he promised us two years ago that he would do*.

"Once viewed as a crusader against public corruption, it's now readily apparent Wilson has engaged in selective prosecution in an effort to benefit his political allies – many of whom are far more corrupt than the handful of politicians he's prosecuted," we wrote earlier this month.

We're not alone in that view, either ...

Despite failing to make good on his promises to root out the rampant corruption in Columbia, S.C., Wilson is being groomed as Quinn's gubernatorial candidate of choice for 2018. In fact Wilson and Quinn held a strategy session recently which included wealthy Columbia, S.C. businessman **Bill Stern** and S.C. Manufacturers Alliance president **Lewis Gossett** – two prominent political insiders likely to take leadership roles in his upcoming race.

Can he overcome his growing baggage and mount a credible campaign? Or will Quinn toss him overboard in favor of a politician who is making much smarter moves at the moment?

We shall see ...

Read more at <http://www.fitsnews.com/2016/01/29/alan-wilson-paid-a-ton-of-money-to-a-liberal-lawyer/#M7GCGkkyZhD5jZa5.99>

# Exhibit 34

**Cc:** Richard Quinn[rquinn9218@aol.com]; Erich Skelton[erich@rqasc.com]  
**To:** Tripp Steiner[tripp@rqasc.com]  
**From:** Brad Joiner  
**Sent:** Thur 6/23/2016 10:27:24 AM  
**Importance:** Normal  
**Subject:** Re: MY BAD. MY BAC. Re: COPY FOR MARTIN FLYER  
**Received:** Thur 6/23/2016 10:27:29 AM  
**RexRice\_Choice\_v03.pdf**

Updated permit

---

Brad Joiner  
803.404.2503  
brad@rqa.me

On Jun 23 2016, at 10:25 am, Tripp Steiner <tripp@rqasc.com> wrote:

Brad, Change the permit number to 239. Since 1186 is Mail Marketing Strategies and will be tracked back to Rick.

---

**From:** Brad Joiner <brad@rqa.me>  
**Sent:** Thursday, June 23, 2016 10:02:13 AM  
**To:** Richard Quinn  
**Cc:** Erich Skelton; Tripp Steiner  
**Subject:** Re: MY BAD. MY BAC. Re: COPY FOR MARTIN FLYER

Updated mailer.

---

Brad Joiner  
803.404.2503  
brad@rqa.me

On Jun 23 2016, at 10:00 am, Brad Joiner <brad@rqa.me> wrote:

Updated flyer. Mailer coming shortly.

---

Brad Joiner  
803.404.2503  
brad@rqa.me

On Jun 23 2016, at 9:57 am, Richard Quinn <rquinn9218@aol.com> wrote:

Brad we need to add a paid for at bottom just like mail piece. Paid for by Better Future for our Community 1027 S. Pendleton St. Easley, SC 29642

Please put same on mail.

Otherwise change looks great to me.

Sent from my iPad

On Jun 23, 2016, at 9:35 AM, Brad Joiner <brad@rqa.me> wrote:



Updated flyer

---

Brad Joiner  
803.404.2503  
[brad@rqa.me](mailto:brad@rqa.me)

On Jun 23 2016, at 9:24 am, Richard Quinn <[rquinn9218@aol.com](mailto:rquinn9218@aol.com)> wrote:

Sorry. Should say Rex Rice is the conservative in this race. With pic of Martin on top and pic of rice cat bottom.

Sent from my iPad

On Jun 23, 2016, at 7:45 AM, Brad Joiner <[brad@rqa.me](mailto:brad@rqa.me)> wrote:

First draft on flyer.

---

Brad Joiner  
803.404.2503  
[brad@rqa.me](mailto:brad@rqa.me)

On Jun 23 2016, at 7:40 am, Tripp Steiner <[tripp@rqasc.com](mailto:tripp@rqasc.com)> wrote:

Brad, this needs to be B/W.

Get [Outlook for iOS](#)

On Wed, Jun 22, 2016 at 11:14 PM -0400, "Richard Quinn" <[rquinn9218@aol.com](mailto:rquinn9218@aol.com)> wrote:

Below and attached:

8 1/2 x 11 FLYER ONE-SIDED

SENATOR LARRY MARTIN VOTED TO GIVE HIMSELF A  
GOLDEN PARACHUTE AT TAXPAYERS EXPENSE...

- HE VOTED TO PAY HIMSELF A TAX-PAYER FUNDED RETIREMENT PENSION NOW, BUT HE DIDN'T RETIRE ! (See Senate Journal)
- HE'S THE TOP 7 BIG SPENDER IN THE SENATE IN TAX DOLLARS FOR EXTRAVAGANT TRAVEL (See Anderson Independent)

AFTER 36 YEARS, IT'S TIME FOR LARRY MARTIN TO  
RETIRE

(Photo of Martin from his campaign website)

THE CONSERVATIVE IN THIS RACE IS LARRY MARTIN.  
EVEN IF YOU DIDN'T VOTE LAST TUESDAY, ALL VOTERS  
CAN VOTE IN THE REPUBLICAN RUN-OFF.

PLEASE VOTE THISTUESDAY JUNE 28

<LarryMartin\_StampedeFlyer\_v01.pdf>

<LarryMartin\_StampedeFlyer\_v02.pdf>

Paid for by Better Future for our Community  
1027 S. Pendleton St.  
Eastly, SC 29642



THIS TUESDAY, WE HAVE TO CHOOSE BETWEEN  
**LARRY**  
**MARTIN** *and* **REX**  
**RICE**



Print Std.  
U.S. Postage  
PAID  
Columbia, SC  
Permit #239

FOR TAXPAYERS, IT SHOULD BE  
**AN EASY CHOICE...**



**SENATOR LARRY MARTIN HAS  
BEEN IN OFFICE 36 YEARS.**

✗ He voted to increase taxes, but true  
Republicans found a way to fix roads  
without raising taxes.

✗ He voted to pay himself a taxpayer  
funded pension—but didn't retire!

✗ And he's one of the Senate's most  
extravagant spenders on travel at  
taxpayers' expense (*See Anderson  
Independent report*).

**REX RICE...**

✓ A new conservative  
voice for Pickens County

✓ A proven conservative  
reformer

✓ A proven fighter  
for taxpayers

**THE CONSERVATIVE CHOICE IN THIS RACE IS REX RICE.**

**EVEN IF YOU DIDN'T VOTE LAST TUESDAY, ALL VOTERS CAN VOTE IN THE REPUBLICAN RUN-OFF.**

**PLEASE VOTE THIS TUESDAY JUNE 28**

# Exhibit 35





ALAN WILSON  
ATTORNEY GENERAL

March 28, 2016

The Honorable David M. Pascoe, Jr.  
Solicitor- First Judicial District  
Post Office Box 1525  
Orangeburg, SC 29115

Dear Solicitor Pascoe:

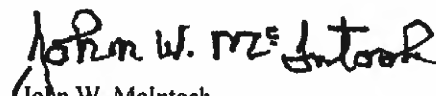
I am deeply troubled that you have sought without authority to initiate a State Grand Jury investigation regarding the redacted portion of the SLED investigation which this office forwarded to you last summer. As you recall, you were designated to make the prosecutorial decision regarding this matter. Yet, we have now learned that you have unlawfully attempted to initiate a State Grand Jury investigation.

Only the Attorney General may convey the authority to initiate a State Grand Jury and you have neither sought nor received such authority. I do not have such authority. As noted above, you were given full power to prosecute this matter at the local level if you deemed such action to be appropriate. However, rather than seeking explicit authority for a State Grand Jury investigation, you sought to initiate that investigation surreptitiously with respect to this office. I attempted to call you to discuss this matter, but you did not bother to return the call. Instead, as reported today by The State paper, you then sued the clerk of the State Grand Jury when the action you requested him to take was not taken.

Based upon these recent events, I am now compelled to terminate all authority delegated to you on July 17 and July 24, 2015. Your handling of this matter now makes it necessary to reassign the investigation to another solicitor or solicitors.

This action in terminating you has nothing to do with the merits of the underlying investigation, but is based upon my conclusion that all prosecutors must follow the law.

Sincerely,

  
John W. McIntosh  
Chief Deputy Attorney General

CC: Chief Mark Keel, South Carolina Law Enforcement Division

JWM/dm

# Exhibit 36

# The State of South Carolina

## OFFICE OF SOLICITOR

First Judicial Circuit

140 N. Main St., Suite 102  
Summerville, SC 29484  
(843) 871-2640  
FAX (843) 871-2643  
PTI (843) 873-7842



**DAVID M. PASCOE**  
Solicitor

Courthouse, Amelia Street  
Post Office Box 1525  
Orangeburg, SC 29116  
(803) 533-6252  
FAX (803) 533-6004  
PTI (803) 533-6137

March 28, 2016

John W. McIntosh  
Chief Deputy Attorney General  
P.O. Box 11549  
Columbia, SC 29211-1549

Dear Chief Deputy McIntosh,

Upon review of your letter, the Attorney General misunderstands the posture of our current dispute concerning the State Grand Jury and your authority over this matter. I hope you will reconsider your position. To allege that I (along with the Chief of SLED and a Circuit Court Judge) unlawfully attempted to initiate a State Grand Jury investigation is not consistent with the facts or the law.

As you know, your office recused itself from this matter and designated me to investigate and prosecute it in the Attorney General's stead. At all times I have taken great care to employ all appropriate and lawful procedures to complete the task for which I was selected. While the Harrell prosecution may be concluded, the State's investigation of the matters you forwarded to me are incomplete.

On Monday, March 21, 2016, you were made aware of my and Chief Mark Keel's decision to utilize the State Grand Jury as part of our investigation. At no time did you contact me with your concerns regarding this matter. Instead, you drove to Charleston to see Judge Clifton Newman on Tuesday. You also instructed Clerk of Court Jim Parks not to administer an oath to my office or issue any subpoenas, effectively obstructing our ability to continue the necessary investigation into this particular matter. You did not attempt to contact me until Friday, March 25, 2016, when the petition was being filed seeking a Writ of Mandamus from the Supreme Court. I did not call you back because the Attorney General recused your office from this investigation. To attempt to un-recuse your office is in my opinion inconsistent with the law concerning recusal and an extraordinary position to take.

Accordingly, I along with Chief Mark Keel, invoked the appropriate statutory procedure to bring this matter before the State Grand Jury. This application was approved by Judge Newman. Your letter does not alter my authority over this matter or, more importantly, Judge Newman's oversight to the



Harrell's Story Does Not Add Up  
By:

Last week, attorneys for South Carolina Speaker of the House Bobby Harrell made a motion to disqualify state Attorney General Alan Wilson from overseeing the State Grand Jury investigation into allegations that Speaker Harrell illegally spent campaign contributions for personal use as well as misusing his position as Speaker for personal gain.

At the center of this hearing controversy is Harrell's allegation that in April 2013 Attorney General Alan Wilson called Harrell's Chief of Staff Brad Wright into a private meeting at Wilson's office, and that at that meeting, Wilson used the threat of a pending SLED investigation as leverage to get Harrell's support for a stronger ethics enforcement law known as the Public Integrity Unit (PIU). In other words, Wilson said support stronger ethics enforcement legislation or else.

What's interesting about this claim is that Harrell actually voted for PIU legislation that already had overwhelming support in the House. However, Wilson along with SLED Chief Mark Keel, still referred Harrell's case to the State Grand Jury this past January, nine months after the Wright meeting. So, in February of this year, nearly ten months after feeling threatened by Wilson and one month after his boss's case went to the State Grand Jury, Brad Wright suddenly felt that it was now necessary to report the so-called intimidation.

If Wright truly believed the Attorney General intimidated him, then he had an ethical duty to report it to the Office of Disciplinary Council at that time. Instead, he reported it nearly a year later in an affidavit to support Harrell's motion to disqualify Wilson from this investigation. At one point during his testimony, Wright said that he had hoped he would never have to disclose the meeting. That begs the question: if Wilson had never signed off on a State Grand Jury initiation, would Brad Wright still have made this allegation?

If the answer is "no," then we could conclude that Wright and Harrell believed they had, in fact, entered into a corrupt deal with the Attorney General to quash the investigation, but because the Attorney General did not deliver on his end of the deal, they were now forced to retaliate. Had Wilson never referred this case to the State Grand Jury, Wright would not have made the allegation because, in Wright's mind, Wilson would have fulfilled his end of the bargain.

When the judge questioned Wright as to whether he believed he and the Attorney General had entered into a *quid pro quo*, Wright responded "No, Sir." However, after the hearing, Harrell told reporters that he "believed [that the meeting between Wright and Wilson] was an implicit *quid pro quo*." It is not known if Wright and Harrell realized that they were contradicting each other, but what is surprising is that if the Speaker believes there was an implicit *quid pro quo* with the Attorney General, then he is admitting that he implicitly intended to trade his vote in order to make his corruption case go away. It takes two people for there to be a *quid pro quo* and he may have just admitted – implicit or not – that he was a willing participant.

Obviously there was no quid pro quo or corrupt deal because Attorney General Wilson's referral to the State Grand Jury destroys that theory. Whether or not there was a threat can only be known between Brad Wright and Alan Wilson, but if you believe Brad Wright's illogical version that there was a threat, then you have to answer two difficult questions: first, why would Wilson believe that threatening the most powerful man in the House would somehow help him advance legislation that several sources say he already had the votes for? Second, Harrell actually voted for the legislation Wilson wanted, so what would have been the Attorney General's new motivation for referring the Harrell case to the State Grand Jury? Is it not plausible that Wilson might have seen something in the SLED report that led him and the Chief of SLED to sign off on a State Grand Jury referral as well as a judge to subsequently seal it?

Another interesting point is that after Friday's hearing, Harrell and his attorneys made assertions to reporters with the *The State* and the *Post & Courier* that their only reason for the 'secrecy' request was because State Grand Jury matters are always secret and that they had "no choice in the matter." Harrell's lawyers went as far as to accept blame by 'apologizing' to Mr. Harrell for making the recommendation of secrecy in the first place. What these experienced and well-seasoned attorneys did not tell the reporters is that state law (14-7-1720) does not bar or prohibit them from disclosing anything relating to State Grand Jury matters. They are not sworn to grand jury secrecy nor are they parties to a judge's disclosure order allowing them to have access to grand jury records; therefore they would be free to make any public statements or motions they want during a State Grand Jury investigation.

Harrell's attorneys either knew of this statute or they did not. If they did know of this statute, then their comments are purely political theater designed to insulate them and their client from the public relations blowback of an ill-fated attempt to discredit the Attorney General through secret disqualification. If they did not know of this law, then Harrell would be well-served to find different attorneys who are better versed in basic grand jury practice. You would think that Harrell's well-seasoned legal team, one of whom is former United States Attorney, would better understand this area of law.

It is important to state that, at this time, Bobby Harrell has not been charged with a crime; therefore, he is not a defendant. There is no current prosecution and no indictment. In fact, nothing has changed since last fall. Yes, a case has been referred to the State Grand Jury - but all that means is that SLED and the Attorney General's office have additional investigative tools at their disposal. Harrell is actually in the same legal posture that he was in the day before his case was referred to the State Grand Jury. That's why Harrell's desperate attempt to now disqualify Wilson looks even more suspicious.

The State Grand Jury may find nothing, which would be the ultimate clean bill of health for Harrell. It would be the closest thing to full exoneration that the Speaker could hope for, and if he is truly innocent of what has been alleged against him, then he should be encouraging the Attorney General to use the State Grand Jury to clear his name, not seeking to disqualify him. If the State Grand Jury finds something to support an indictment - conviction or not - Harrell's days as Speaker are over. Of course, this may be the best explanation of why Harrell desperately wants the Attorney General disqualified now instead of after an indictment.

## Exhibit 38

STATE 0235315

**To:** Richard Quinn[RQuinn9218@aol.com]  
**From:** Alan Wilson  
**Sent:** Fri 5/9/2014 5:41:12 PM  
**Importance:** Normal  
**Subject:** Fwd: Letter to Bingham  
**Received:** Fri 5/9/2014 5:41:40 PM  
[image001.jpg](#)  
[ATT00001.htm](#)  
[sent 05-08-14 kenny bingham letter ethics harrell sled \(00326505xD2C78\).pdf](#)  
[ATT00002.htm](#)

Sent from my iPhone  
Please excuse typos

Begin forwarded message:

**From:** Kristy Quattrone <[kquattrone@scag.gov](mailto:kquattrone@scag.gov)>  
**Date:** May 8, 2014 at 12:30:43 PM EDT  
**To:** Creighton Waters <[CWaters@scag.gov](mailto:CWaters@scag.gov)>, Bob Cook <[BCook@scag.gov](mailto:BCook@scag.gov)>, Allen Myrick <[amyrick@scag.gov](mailto:amyrick@scag.gov)>, Alan Wilson <[agwilson@scag.gov](mailto:agwilson@scag.gov)>  
**Subject:** Letter to Bingham



ALAN WILSON  
ATTORNEY GENERAL

May 8, 2014

The Honorable Kenny Bingham  
Chairman, Ethics Committee  
S.C. House of Representatives  
519-B Blatt Building  
Columbia, South Carolina 29201

Dear Chairman Bingham:

I am sending you this letter as information that you may find relevant to the function of your Committee. As you are aware, your Committee possesses concurrent jurisdiction with respect to alleged violations of the state Ethics Act by Members of the S.C. House of Representatives. I am writing to inquire as to whether or not your Committee would be interested in addressing the allegations which were raised in last year's criminal SLED report regarding Speaker Bobby Harrell. This SLED report was produced and submitted prior to the referral of this matter to the State Grand Jury.

Any alleged civil violations referenced within the SLED report are properly within the jurisdiction of your Committee. Conversely, any alleged criminal violations are properly before the State Grand Jury without the necessity of referral by the House Ethics Committee. This informational letter to you has no bearing on the matter currently pending before Judge Casey Manning. The House Ethics Committee does possess concurrent jurisdiction to review the allegations and take any action it deems necessary.

Please advise us as to whether or not your Committee would be interested in receiving information related to this case. Thank you for your attention to this matter. I look forward to hearing from you.

Sincerely,

*Alan Wilson*  
Alan Wilson

AW

# Exhibit 39

STATE 0235320

**To:** RQuinn9218@aol.com[RQuinn9218@aol.com]  
**From:** Alan Wilson  
**Sent:** Fri 5/9/2014 11:46:55 PM  
**Importance:** Normal  
**Subject:** Sorry to bother you  
**Received:** Fri 5/9/2014 11:46:58 PM

Richard,

Earlier this evening I inadvertently sent you an email from my iPhone. It was intended for somebody on my AGO staff. Please delete that email. I appreciate it.

Apparently my fat fingers don't do well on these little key boards. Hope all is well and tell your bride hello for me.

Aw

Sent from my iPhone  
Please excuse typos

# Exhibit 40



BEFORE THE SOUTH CAROLINA STATE GRAND JURY #28

STATE OF SOUTH CAROLINA  
RICHLAND COUNTY

INVESTIGATION NUMBER:       )  
  )  
SGJ2016-257                       )  
  )  
-----                            )

CONTINUED TESTIMONY OF

**RICHARD M. QUINN, SR.**

\*\*\*\*\*

**Monday, May 7, 2018**  
12:15 p.m. - 6:06 p.m.

The continued testimony of RICHARD M. QUINN, SR. was taken before the State Grand Jury #28 at The Rembert C. Dennis Building, Columbia, South Carolina, on the 7th day of May, 2018, before Carla S. Dominick, Court Reporter and Notary Public in and for the State of South Carolina.



**CREEL COURT REPORTING, INC.**  
1230 Richland Street / Columbia, SC 29201  
(803) 252-3445 / (800) 822-0896

1           questioning the ---

2       A:   Well, I feel like I'm going to ---

3       Q:   --- involvement of the Attorney General ---

4       A:   I've tried to be cautious, but I haven't --

5           I've tried to be cautious and truthful and not

6           to say anything with certainty that I am --

7           don't remember with certainty. But, yes, I

8           worried about my son. Yes, Alan and I talked

9           about the politics of what's been on with the

10          corruption probe almost every day probably up

11          until the time I was indicted or shortly before

12          that.

13       Q:   Let me ask you ---

14       A:   I was his political advisor.

15       Q:   I'm asking your opinion to this question: Your

16          opinion -- my question of your opinion is do

17          you think that Attorney General Wilson and the

18          actions he took to derail Solicitor's Pascoe's

19          initiation of the Grand Jury investigation that

20          ultimately went to the South Carolina Supreme

21          Court -- do you think he was motivated in part

22          to protect you and your family?

23       A:   That's a tough one. You know, I think Alan is

24          -- has a lot of affection for me and for Rick.

25          I mean, we've both known him for a long time,



# Exhibit 41

To: Richard Quinn[rquinn9218@aol.com]  
From: robert cook  
Sent: Thur 10/23/2014 2:41:35 PM  
Importance: Normal  
Subject: Re: STATEMENT  
Received: Thur 10/23/2014 2:41:35 PM

Richard it is a damn good statement. I have no changes. I will get to Alan immediately. Thanks for your good work. Bob

On Thu, Oct 23, 2014 at 2:38 PM, Richard Quinn <[rquinn9218@aol.com](mailto:rquinn9218@aol.com)> wrote:

Bob,

After your edits, I'd suggest we get this out quickly.

RQ

In the public interest, this matter has confirmed that no one in South Carolina is above the law. I'd like to thank Solicitor David Pascoe for agreeing to accept the designation by this office as lead prosecutor in the matter of South Carolina vs. Bobby Harrell.

In keeping with the policy of this office, we have no comment on the specifics of the plea agreement Solicitor Pascoe has negotiated with Mr. Harrell. We took no part in those negotiations and were not consulted on the terms. When our office designates a solicitor to manage a case, our policy is to trust the solicitor's judgment. This case was no exception.

Going forward, if there is any reason to believe that Mr. Harrell is not honoring the terms of the plea agreement, this office will forward that information to Solicitor Pascoe for further action.

# Exhibit 42

STATE 0183788

To: robert cook[uscbball265@gmail.com]  
From: Richard Quinn  
Sent: Mon 10/27/2014 1:26:02 PM  
Importance: Normal  
Subject: ????? Thoughts?  
Received: Mon 10/27/2014 1:26:02 PM  
PASCOE LETTER COOK VERSION.docx

Attached. Says COOK version. Should say McIntosh version

October 27, 2014

David M. Pascoe  
Solicitor, First Judicial Circuit  
Post Office Box 1525  
Orangeburg, SC 29116

Dear Solicitor Pascoe:

The Attorney General and all us who have been involved in this investigation appreciate your willingness to accept the designation Attorney General Wilson gave you as prosecutor in the Robert W. Harrell matter as specified in the consent order of July 24, 2014. Your acceptance of this designation HELPED our office overcome roadblocks that were preventing this important case from moving forward.

While this Office has no comment on the substance of the facts pled to by Mr. Harrell, there is one concern that should be addressed: the plea negotiation suggests any state criminal charges against other individuals arising out of Mr. Harrell's cooperation would be handled solely by you. While that interpretation may not have been your intent, please understand that such an agreement goes beyond your authority as the designated prosecutor in this one case.

The Attorney General's designation of you as prosecutor was limited solely to the disposition of Mr. Harrell's case and not to any other cases related to or arising out of that one. The Consent Order agreed to by this office, you and Mr. Harrell clearly confirms this specifically limited authority.

. The Attorney General, the Solicitor General and I all agree that the negotiated plea entered into by you and Mr. Harrell and approved by Judge Manning is not controlling to this office with respect to the expanded authority the negotiation appears to give you. Article 5 Section 24 of the South Carolina Constitution states "[t]he Attorney General shall be the chief prosecuting officer of the State with authority to supervise the prosecution of all criminal cases in courts of record." This constitutional authority cannot be bound by an agreement between you and Mr. Harrell. A contract cannot alter the authority bestowed by the Constitution

Therefore, please understand that this office shall supervise the investigation and prosecution of any possible cases that MIGHT arise from any cooperation that Mr. Harrell provides under the terms of the plea agreement. Should Mr. Harrell violate those terms, you will be notified immediately so that you can take any action that you deem appropriate as stipulated by the consent order.

While the Attorney General hopes to include you as a collaborative working partner on any future cases arising from this matter, it was never his intent, nor does the consent order suggest, that he has forfeited the Constitutional authority of the Attorney General as the state's chief prosecuting officer. We hope this clears up any misunderstanding.

David M. Pascoe  
Page 2  
October 27, 2014

Your cooperation and service to the state is greatly appreciated. Please let this Office know if you would like to participate in any possible future case. I know the Attorney General values your assistance.

Again, thank you for helping this office conclude the Harrell matter. Please contact the Attorney General, Solicitor General Bob Cook, me, or any member of this office you've been working with if you have any questions.

Sincerely,

John McIntash  
Chief Deputy Attorney General

AW/jl



## Exhibit 43

STATE 0183769

**To:** robert cook[uscbball265@gmail.com]  
**From:** Richard Quinn  
**Sent:** Mon 10/27/2014 3:46:37 PM  
**Importance:** Normal  
**Subject:** Hope This Helps  
**Received:** Mon 10/27/2014 3:46:37 PM  
PASCOEMcINTOSH LETTER FINAL.docx

Attached

David M. Pascoe  
Solicitor, First Judicial Circuit  
Post Office Box 1525  
Orangeburg, SC 29116

Dear David

It was good talking to you earlier today to discuss the plea agreement you reached last week in the matter Robert W. Harrell and how we shall proceed going forward.

Again, let me express to you my personal appreciation, as well as the gratitude of all of us in this office who have worked with you. Your willingness to accept my designation as prosecutor in the Harrell case, as specified in the consent order of July 24, 2014, greatly helped our office overcome roadblocks that were preventing this important case from moving forward.

The main purpose of this letter is briefly to memorialize our conversation, so that all involved will understand exactly how any future cases will be managed. As we agreed, the Office of the Attorney General shall supervise the investigation and prosecution of any possible cases that might arise from any cooperation Mr. Harrell provides under the terms of the plea agreement. At any time Mr. Harrell is questioned, one or more representatives of the Attorney General's Office will be present. And should Mr. Harrell violate the terms of the agreement, you will take any prosecutorial action against him that you deem appropriate as stipulated by the consent order.

This office looks forward to working with you as a collaborative partner on any issues arising from the Harrell matter. And if you would like to participate in any possible future cases, please let me know. Your skills as a prosecutor are well known and respected.

Again, thank you for helping this office conclude the Harrell matter. Please keep us informed going forward and contact me if you have any suggestions or idea.

Sincerely,

John McIntash  
Chief Deputy Attorney General

# Exhibit 44

STATE 0195378

**To:** Bill Stern[bill@sternproperties.biz]; Thad Westbrook[thad.westbrook@nelsonmullins.com]; Richard Quinn[rquinn9218@aol.com]; Rick Quinn[rick@rqasc.com]  
**From:** Richard Quinn  
**Sent:** Tue 3/29/2016 11:40:44 AM  
**Importance:** Normal  
**Subject:** POINTS  
**Received:** Tue 3/29/2016 11:42:27 AM  
STATEMENT BY ALAN WILSON.docx

**STATEMENT BY ALAN WILSON, S.C. ATTORNEY GENERAL**

There are several facts related to the decision of this office to assign the SLED investigation to a new prosecutor that need to be placed in the public record.

First of all, I am supporting the decision of my Chief Deputy John McIntosh who recommended that this matter be assigned to a new prosecutor. Mr. McIntosh is a respected prosecutor with over 35 years of service in this office.

Secondly, I would like to correct a widely reported assertion that our office attempted to "block" Mr. Pascoe's investigation by issuing an opinion that the activities described in the SLED report were not illegal. That allegation is absurd. Mr. Pascoe himself requested an opinion from our Solicitor General Bob Cook who offered a well-researched 48-page opinion that Mr. Pascoe chose to ignore.

Specifically, this office decided to reassign the case to an unbiased prosecutor based on the facts supplied to me by Mr. McIntosh and other members of my staff. But first, a summary of the background:

Mr. McIntosh assigned the task of concluding the SLED investigation of Bobby Harrell to Solicitor David Pascoe in July of last year with the idea that Mr. Pascoe would make prosecutorial

decisions based on the facts and to bring recommendations to this Office.

This Office did not and would never delegate to Mr. Pascoe or any other Circuit Solicitor the statutory duties of this office to decide when a State Grand Jury should be struck.

My decision to back Mr. McIntosh's recommendation to reassign this case to a new prosecutor was based on the following facts:

1. Shortly after this case was given to Mr. Pascoe, a major front-page story was leaked to the State newspaper identifying one of the redacted names in the SLED Report. The article attributed the leak to a "source close to the investigation," which could only have been Mr. Pascoe or someone connected to him. Our office expressed concerns at the time over such improper and probably illegal leaks but continued to trust Mr. Pascoe's integrity.
2. Then Mr. McIntosh learned that Mr. Pascoe was seeking an opinion from the State Ethics Commission, which he hoped would be contrary to opinions issued by our Office and by the House Ethics Committee, both of whom had opined that the behavior under review was not illegal.
3. Mr. Pascoe then publically released marginal scribbles by the State Ethics

Commission executive director without the director's knowledge. The State Ethics Commission is an executive agency, not a legislative agency. It has no jurisdiction over the State legislature. And consulting an executive agency on legislative issues is a breach of separation of powers.

4. My Office later learned that Mr. Pascoe was seeking to seize all the financial records of the House Republican Caucus, but no records from the House Democratic Caucus. It then became clear that Mr. Pascoe was conducting a partisan witch-hunt against Republicans.
5. Later, we learned that Mr. Pascoe had asked a long retired employee of the Attorney General's office to attempt to secretly secure the form our Office uses to authorize a State Grand Jury. We declined to provide the form, but it became clear Mr. Pascoe was secretly attempting to strike a State Grand Jury without authorization by this office.
6. The timing of Mr. Pascoe's move also revealed his partisan intent. After having this case in control since July of last year, he waited until the middle of the election cycle, when filing was still open, to make his move for a grand jury.
7. We also learned Mr. Pascoe had already convinced Chief Keel to sign for a grand



jury and was attempting to swear in staff.

8. When Mr. McIntosh contacted the SLED Chief to find out why he had consulted with the Attorney General's Office, he learned that Chief Keel had been misled. He told Mr. McIntosh he understood the Attorney General's Office already knew about the request, which was not true.
9. Mr. McIntosh made one final effort to contact Mr. Pascoe for a meeting, not to discuss the facts of the investigation, but the law and to remind him that only the Attorney General's office by statute could authorize a grand jury. Mr. Pascoe refused to return calls. It was then Mr. McIntosh's ordered the Chief Clerk of the State Grand Jury to block Mr. Pascoe's access, hoping that would spur him to meet with our staff and follow proper procedures.
10. AND FINALLY, Mr. Pascoe or someone connected to him leaked to the media the petition he had filed with the Supreme Court seeking to force the Attorney General to give him access to the State Grand Jury.

Based on these and other reasons we are prepared to share only with the Supreme Court, we made the difficult decision to relieve Mr. Pascoe of this assignment and to choose a new prosecutor who would focus on facts and not conduct an endless partisan diatribe.

As Attorney General, I am obligated to protect the statutory duties on this Office. I did not recuse myself, or my office, from what appears to be prosecutorial misconduct. And I did not turn over to Mr. Pascoe the authority to abuse the assignment Mr. McIntosh gave him for blatantly partisan purposes.

# Exhibit 45

STATE 0205010

**To:** Thad Westbrook[thad.westbrook@nelsonmullins.com]; Bill Stern[bill@sternproperties.biz]; Rick Quinn[rick@rqasc.com]  
**From:** Richard Quinn  
**Sent:** Tue 3/29/2016 2:44:52 PM  
**Importance:** Normal  
**Subject:** SHORTER FORM  
**Received:** Tue 3/29/2016 2:44:52 PM  
STATEMENT BY ALAN WILSON REVISED.docx

Here is a shorter version of points.

RQ

**STATEMENT BY ALAN WILSON, S.C. ATTORNEY GENERAL**

**RE: THE SLED INVESTIGATION AND THE REPLACEMENT OF MR. PASCOE**

There are a number of concerns related to Mr. Pascoe's behavior it would be inappropriate to discuss at this time. However, the main reasons my office decided to select a new prosecutor needs to be placed in the public record.

First of all, I am backing the decision of my Chief Deputy Attorney General John McIntosh who decided to assign this matter to a new prosecutor. Mr. McIntosh is a respected prosecutor with over 30 years of service in this office and even more in the field of criminal prosecution.

Secondly, I would like to correct a media report accusing my office of "blocking" Mr. Pascoe's investigation by issuing an opinion that the activities described in the SLED report were not illegal. That allegation is absurd. Our office did not decide to opine on this issue. Solicitor General Bob Cook offered a well-researched 48-page opinion at Mr. Pascoe's request.

At no time has this office attempted to block this investigation. In fact, our office has no problem convening a state grand jury if the newly assigned prosecutor supports that decision and follows the procedures specified by law.

Mr. McIntosh decided to reassign the case to a new prosecutor based in part on the following facts and concerns:

1. Deputy Attorney General John McIntosh assigned the task of concluding the SLED investigation to Solicitor David Pascoe in July of last year, with the idea that Mr. Pascoe would make prosecutorial decisions based on the facts and make recommendations to this Office.
2. Shortly after this case was given to Mr. Pascoe, a major front-page story on the investigation was leaked to the State newspaper. The article attributed the leak to a "source close to the investigation," which could only have been Mr. Pascoe or someone connected to him. Our office expressed concerns in writing at the time over such improper and probably illegal leaks but continued to trust Mr. Pascoe's integrity.
3. After Mr. Pascoe sought and received an opinion from our office on the legal issues involved, Mr. McIntosh sought an opinion from the State Ethics Commission, which he

- apparently hoped would be contrary to opinions issued by our Office and by the House Ethics Committee, both of whom had opined that the behavior under review was not illegal.
4. Mr. Pascoe then publically released marginal scribbles by the State Ethics Commission executive director without the director's knowledge. The State Ethics Commission is an executive agency, not a legislative agency. It has no jurisdiction at all over the State legislature. Consulting an executive agency on legislative issues is a breach of separation of powers.
  5. Mr. Pascoe then attempted to seize all the financial records of the House Republican Caucus, but no records were requested from the House Democratic Caucus. It then became clear Mr. Pascoe was conducting a partisan fishing investigation. But Mr. McIntosh continued to hope Mr. Pascoe would eventually focus on the charge he was given.
  6. Later, Mr. Pascoe asked a long retired employee of the Attorney General's office to attempt to secretly secure the form our Office uses to authorize State Grand Juries. The Office declined to provide the form, but it became clear Mr. Pascoe was attempting to strike a State Grand Jury without authorization by this office.
  7. The timing of Mr. Pascoe's move also revealed his partisan intent. After having this case under his control since July of last year, he waited almost a year, until the middle of the election cycle, when filing was still open, to make his move.
  8. Finally, we learned Mr. Pascoe had already convinced Chief Keel to sign for a grand jury and was attempting to swear in staff.
  9. When Mr. McIntosh contacted the SLED Chief to find out why he had not consulted with the Attorney General's Office, Chief Keel told Mr. McIntosh he understood the Attorney General's Office already knew about the request, which was simply not true. Chief Keel had been misled.
  10. Still, Mr. McIntosh made one final effort to contact Mr. Pascoe for a meeting, not to discuss the facts of the investigation, but the law and to remind him that only the Attorney General's office by statute could authorize a grand jury. Mr. Pascoe refused to return calls.
  11. Unable to reach Mr. Pascoe, Mr. McIntosh's ordered the Clerk of the State Grand Jury to block Mr. Pascoe's access to the Grand Jury, hoping that would spur him to meet with our staff and follow proper procedures.
  12. AND FINALLY, Mr. Pascoe or someone connected to him leaked to the media the petition he had filed with the S.C.

Supreme Court seeking to force the Attorney General to  
mandate his access to the State Grand Jury.

Based on these and other reasons we cannot share at this time,  
Mr. McIntosh made the difficult decision to relieve Mr. Pascoe of  
this assignment and choose a new prosecutor who would focus on  
the facts and not conduct a blatantly partisan agenda.

I backed Mr. McIntosh's decision because, as Attorney General, I  
am obligated to protect the statutory duties on this Office. I  
did not recuse myself, or my office, from a prosecutor who  
refuses to follow the law. And I did not turn over to Mr. Pascoe  
the authority to abuse the assignment Mr. McIntosh gave him for  
partisan purposes. And when he would not return calls or agree  
to meet with staff on the law governing these matters, he gave us  
no choice.

I am confident the new prosecutor will reject partisan agendas,  
handle himself professionally and seek nothing more or less than  
justice under the law.

# Exhibit 46



To: bhicks@postandcourier.com[bhicks@postandcourier.com]  
 From: Richard Quinn  
 Sent: Tue 3/29/2016 5:37:21 PM  
 Importance: Normal  
 Subject: DOES AG HAVE AUTHORITY TO REASSIGN  
 Received: Tue 3/29/2016 5:37:21 PM

Brian, good talking. Legal citations are below, followed by McIntosh's letter to new prosecutor, assigning him the investigation.

I hope this persuades you that the AG has the authority to reassign case and also his office has the statutory obligation to engage the grand jury if and when it's engaged. Sorry to call so late. I understand deadlines, which is why I was talking so fast. Maybe someday we can have a slow pleasant conversation.

RQ

The AG's constitutional and statutory authority can never be abdicated, voluntarily or otherwise. Also, there are other cases that indicate a judge can recuse and unrecuse himself. See below:

Only the AG can initiate a case in the State Grand Jury (see highlighted below). There is no provision for recusal or appointment of a designee. A designee can be appointed after the SGJ is empaneled, if the AG deems it necessary. See SC Code Ann. 14-7-1650.

SECTION 14-7-1630. Jurisdiction of juries; notification to impanel juries; powers and duties of impaneling and presiding judges; transfer of incomplete investigations; effective date and notice requirements with respect to orders of judge; appeals.

(A) The jurisdiction of a state grand jury impaneled pursuant to this article extends throughout the State. The subject matter jurisdiction of a state grand jury in all cases is limited to the following offenses:

- (1) a crime involving narcotics, dangerous drugs, or controlled substances, or a crime arising out of or in connection with a crime involving narcotics, dangerous drugs, or controlled substances, including, but not limited to, money laundering as specified in Section 44-53-475, obstruction of justice, perjury or subornation of perjury, or any attempt, aiding, abetting, solicitation, or conspiracy to commit one of the aforementioned crimes, if the crime is of a multi-county nature or has transpired or is transpiring or has significance in more than one county of this State; Be
- (2) a crime involving criminal gang activity or a pattern of criminal gang activity pursuant to Article 3, Chapter 8, Title 16;
- (3) a crime, statutory, common law or other, involving public corruption as defined in Section 14-7-1615, a crime, statutory, common law or other, arising out of or in connection with a crime involving public corruption as defined in Section 14-7-1615, and any attempt, aiding, abetting, solicitation, or conspiracy to commit a crime, statutory, common law or other, involving public corruption as defined in Section 14-7-1615;
- (4) a crime involving the election laws, including, but not limited to, those named offenses specified in Title 7, or a common law crime involving the election laws if not superseded, or a crime arising out of or in connection with the election laws, or any attempt, aiding, abetting, solicitation, or conspiracy to commit a crime involving the election laws;
- (5) a crime involving computer crimes, pursuant to Chapter 16, Title 16, or a conspiracy or solicitation to commit a crime involving computer crimes;
- (6) a crime involving terrorism, or a conspiracy or solicitation to commit a crime involving terrorism. Terrorism includes an activity that:

- (a) involves an act dangerous to human life that is a violation of the criminal laws of this State;
  - (b) appears to be intended to:
    - (i) intimidate or coerce a civilian population;
    - (ii) influence the policy of a government by intimidation or coercion; or
    - (iii) affect the conduct of a government by mass destruction, assassination, or kidnapping; and
  - (c) occurs primarily within the territorial jurisdiction of this State;
- (7) a crime involving a violation of Chapter 1, Title 35 of the Uniform Securities Act, or a crime related to securities fraud or a violation of the securities laws;
- (8) a crime involving obscenity, including, but not limited to, a crime as provided in Article 3, Chapter 15, Title 16, or any attempt, aiding, abetting, solicitation, or conspiracy to commit a crime involving obscenity;
- (9) a crime involving the knowing and wilful making of, aiding and abetting in the making of, or soliciting or conspiring to make a false, fictitious, or fraudulent statement or representation in an affidavit regarding an alien's lawful presence in the United States, as defined by law, if the number of violations exceeds twenty or if the public benefit received by a person from a violation or combination of violations exceeds twenty thousand dollars;
- (10) a crime involving financial identity fraud or identity fraud involving the false, fictitious, or fraudulent creation or use of documents used in an immigration matter as defined in Section 16-13-525, if the number of violations exceeds twenty, or if the value of the ascertainable loss of money or property suffered by a person or persons from a violation or combination of violations exceeds twenty thousand dollars;
- (11) a crime involving the knowing and wilful making of, aiding or abetting in the making of, or soliciting or conspiring to make a false, fictitious, or fraudulent statement or representation in a document prepared or executed as part of the provision of immigration assistance services in an immigration matter, as defined by law, if the number of violations exceeds twenty, or if a benefit received by a person from a violation or combination of violations exceeds twenty thousand dollars;
- (12) a knowing and wilful crime involving actual and substantial harm to the water, ambient air, soil or land, or both soil and land. This crime includes a knowing and wilful violation of the Pollution Control Act, the Atomic Energy and Radiation Control Act, the State Underground Petroleum Environmental Response Bank Act, the State Safe Drinking Water Act, the Hazardous Waste Management Act, the Infectious Waste Management Act, the Solid Waste Policy and Management Act, the Erosion and Sediment Control Act, the South Carolina Mining Act, and the Coastal Zone Management Act, or a knowing and wilful crime arising out of or in connection with environmental laws, or any attempt, aiding, abetting, solicitation, or conspiracy to commit a knowing and wilful crime involving the environment if the anticipated actual damages, including, but not limited to, the cost of remediation, is two million dollars or more, as certified by an independent environmental engineer who must be contracted by the Department of Health and Environmental Control. If the knowing and wilful crime is a violation of federal law, a conviction or an acquittal pursuant to federal law for the same act is a bar to the impaneling of a state grand jury pursuant to this section; and
- (13) a crime involving or relating to the offense of trafficking in persons, as defined in Section 16-3-2020, when a victim is trafficked in more than one county or a trafficker commits the offense of trafficking in persons in more than one county.
- (B) When the Attorney General and the Chief of the South Carolina Law Enforcement Division consider a state grand jury necessary to enhance the effectiveness of investigative or prosecutorial procedures, the Attorney General may notify in writing to the chief administrative judge for general sessions in the judicial circuit in which he seeks to impanel a state grand jury that a state grand jury investigation is being initiated. This judge is referred to in this article as the presiding judge. The notification must allege the type of offenses to be inquired into and, in the case of those offenses contained in subsection (A)(1), must allege that these offenses may be of a multicounty nature or have transpired or are transpiring or have significance in more than one county of the State. The notification in all instances must specify that the public interest is served by the impanelment.
- (C) In all investigations of crimes specified in subsection (A)(12), except in matters where the Department of Health and Environmental Control or its officers or employees are the subjects of the investigation, the Commissioner of the Department of Health and Environmental Control must consult with and, after investigation, provide a formal written recommendation to the Attorney General and the Chief of the South Carolina Law Enforcement Division. The Attorney General and the Chief of the South Carolina Law Enforcement Division must consider the impaneling of a state grand jury necessary and the commissioner must sign a written recommendation before the Attorney General notifies the chief administrative judge pursuant to subsection (B).
- (1) In the case of evidence brought to the attention of the Attorney General, the Chief of the South Carolina Law Enforcement Division, or the Department of Health and Environmental Control by an employee or former employee of the alleged violating entity, there also must be separate, credible evidence of the violation in addition to the testimony or documents provided by the employee or former employee of the alleged violating entity.

(2) When an individual employee performs a criminal violation of the environmental laws that results in actual and substantial harm pursuant to subsection (A)(12) and which prompts an investigation authorized by this article, only the individual employee is subject to the investigation unless or until there is separate, credible evidence that the individual's employer knew of, concealed, directed, or condoned the employee's action.

(D) If the notification properly alleges inquiry into crimes within the jurisdiction of the state grand jury and the notification is otherwise in order pursuant to the requirements of this section, the presiding judge must impanel a state grand jury. State grand juries are impaneled for a term of twelve calendar months. Upon the request by the Attorney General, the then chief administrative judge for general sessions in the judicial circuit in which a state grand jury was impaneled, by order, must extend the term of that state grand jury for a period of six months but the term of that state grand jury, including an extension of the term, must not exceed two years. If at the conclusion of a state grand jury's term a particular investigation is not completed, the Attorney General may notify the presiding judge in writing that the investigation is being transferred to the subsequently impaneled state grand jury.

A decision by the presiding judge not to impanel a state grand jury after notification by the Attorney General may be appealed to the Supreme Court and shall be handled in an expedited fashion.

(E) The chief administrative judge of the circuit wherein a state grand jury is sitting shall preside over that state grand jury during his tenure as chief administrative judge. The successor chief administrative judge shall assume all duties and responsibilities with regard to a state grand jury impaneled before his term including, but not limited to, presiding over the state grand jury and ruling on petitions to extend its term.

(F) Upon the request of the Attorney General, the presiding judge may discharge a state grand jury prior to the end of its original term or an extension of the term.

(G) An order limiting or ending a state grand jury investigation only shall be granted upon a finding of arbitrary action, compelling circumstances, or serious abuses of law or procedure by or before the state grand jury, and does not become effective less than ten days after the date on which it is issued and actual notice given to the Attorney General and the foreman of the state grand jury, and may be appealed by the Attorney General or the legal advisor to the state grand jury to the Supreme Court. If an appeal from the order is made, the state grand jury, except as is otherwise ordered by the Supreme Court, shall continue to exercise its powers pending disposition of the appeal. Appeals by the Attorney General or the legal advisor to the state grand jury of orders limiting or ending a state grand jury investigation, and appeals from orders granting or denying motions to quash or contempt citations therefrom which are immediately appealable under the law, must be handled by the South Carolina Supreme Court in an expedited fashion.

HISTORY: 1987 Act No. 150, Section 1, eff from and after February 8, 1989 (the date the amendments to Article I, Section 11, and Article V, Section 22, of the South Carolina Constitution were ratified and declared to be part of the Constitution); 1989 Act No. 2, Section 3, eff February 8, 1989 (the date the amendments to Article I, Section 11, and Article V, Section 22, of the South Carolina Constitution were ratified and declared to be part of the Constitution); 1992 Act No. 335, Section 1, eff May 4, 1992; 2002 Act No. 339, Section 7, eff July 2, 2002; 2003 Act No. 78, Section 1, eff June 4, 2003; 2004 Act No. 208, Section 2, eff April 26, 2004; 2005 Act No. 75, Section 2, eff May 24, 2005; 2007 Act No. 82, Section 3, eff June 12, 2007; 2008 Act No. 280, Section 14, eff June 4, 2008; 2015 Act No. 7 (S.196), Section 2, eff April 2, 2015; 2015 Act No. 45 (S.268), Section 1, eff June 3, 2015.

SECTION 14-7-1650. Duties and obligations of Attorney General; recusal; motion to disqualify.

(A) The Attorney General or his designee shall attend sessions of a state grand jury and shall serve as its legal advisor. The Attorney General or his designee shall examine witnesses, present evidence, and draft indictments and reports upon the direction of a state grand jury.

(B) In all investigations of the crimes specified in Section 14-7-1630, except in matters where the solicitor(s) or his staff are the subject(s) of such investigation, the Attorney General shall consult with the appropriate solicitor(s) of the jurisdiction(s) where the crime or crimes occurred. After consultation, the Attorney General shall determine whether the investigation should be presented to a county grand jury or whether to initiate, under Section 14-7-1630(B), a state grand jury investigation.

(C) When the Attorney General determines that he should recuse himself from participation in a state grand jury investigation and prosecution, the Attorney General may either refer the matter to a solicitor for investigation and prosecution, or remove himself entirely from any involvement in the case and designate a prosecutor to assume his functions and duties pursuant to this article. When a solicitor determines that he should recuse himself from participation in a state grand jury matter, the Attorney General shall conduct such investigation and prosecution but the Attorney General, in his discretion, may designate another solicitor or appoint a special prosecutor not subject to a conflict to handle or assist him in the state grand jury investigation as the Attorney General deems appropriate.

(D)(1) A hearing on a motion to disqualify the Attorney General or legal advisor for the state grand jury from a state grand jury investigation shall be held in public, however the presiding judge must conduct the hearing in a manner to insure the secrecy and integrity of the investigation. The presiding judge shall protect the identity of the person or persons being investigated to the extent practicable. In order to disqualify the Attorney General or legal advisor for the state grand jury, the presiding judge must find an actual conflict of interest resulting in actual prejudice against the moving party. If the Attorney General or legal advisor for the state grand jury or a member of the staff is disqualified then the Attorney General must refer the matter to a circuit solicitor for investigation and prosecution. If a circuit solicitor or special prosecutor, or member of their staff, is disqualified, the matter must be referred to the Office of the Attorney General for investigation or prosecution.

(2) An order to disqualify the Attorney General or legal advisor for the state grand jury from a state grand jury investigation, issued prior to the issuance of an indictment or arrest warrant, shall not become effective less than ten days after the date issued and notice is given to the opposing parties unless appealed. If an appeal from the order is made, the state grand jury and the Attorney General or legal advisor for the state grand jury, except as is otherwise ordered by the Supreme Court, shall continue to exercise their powers pending disposition of the appeal. The Supreme Court must handle all appeals from this section in an expedited manner.

(3) The state grand jury may continue with its investigation and the Attorney General or the solicitor or his designee may continue to serve as legal advisor to the state grand jury with all authority, functions, and responsibilities set forth in this article, until the final order becomes effective or upon the issuance of the final order of the Supreme Court if appealed, whichever occurs later.

HISTORY: 1987 Act No. 150, Section 1, eff from and after February 8, 1989 (the date the amendments to Article I, Section 11, and Article V, Section 22, of the South Carolina Constitution were ratified and declared to be part of the Constitution); 1992 Act No. 335, Section 1, eff May 4, 1992; 2015 Act No. 45 (S.268), Section 2, eff June 3, 2015.

Defendants contend if the Governor had requested the Attorney General represent him in this matter, the Attorney General would be required to do so. See S.C. Code Ann. § 1-7-50. In that event, the Attorney General would be on both sides of the action which Defendants assert is impermissible. Defendants also assert that because the Attorney General is currently representing the Governor in other legal matters, the Attorney General cannot ethically bring the instant action against the Governor.

We have previously found that an analogous situation did not create a conflict of interest. Cf. *Langford v. McLeod*, supra (original proceeding brought for declaratory judgment as to status, responsibility, and duty of Attorney General in representing municipal employees in civil actions; Court held Attorney General may represent public officials in civil suits as well as criminal ones without being subject to imposition of conflicting or unethical duties); *State ex rel. McLeod v. Snipes*, 266 S.C. 415, 223 S.E.2d 853 (1976) (Attorney General sought declaratory judgment that statute requiring him to represent officers of State in criminal proceedings was in conflict with constitutional provision designating Attorney General as chief prosecutor of State; Court held no conflict of interest arose from two duties of Attorney General as he could appoint members of his staff or solicitors or assistant solicitors to participate in prosecution and defense).

Furthermore, the Attorney General, as noted above, has a dual role of serving the sovereign of the State and the general public. Thus, the Attorney General is not violating the ethical rule against conflicts of interest by bringing an action against the Governor.

While the Attorney General is required by the Constitution to "assist and represent" the Governor, the Attorney General also has other duties given to him by the General Assembly, and elaborated on by the Court, which indicate

the Attorney General can bring an action against the Governor. (8)

Accordingly, we find the Attorney General is not prohibited from bringing an action against the Governor.

<http://law.justia.com/cases/south-carolina/supreme-court/2002/25451.html>

The difference here is based on the fact there is only one AG (one person) given certain authority under the SC Constitution and state law. Alan's recusal was simply a perception/political move for the integrity of the process, which Pascoe then abused and can only be corrected/addressed by the AG.

See second paragraph, second sentence.



ALAN WILSON  
ATTORNEY GENERAL

March 29, 2016

The Honorable Daniel E. Johnson  
Solicitor- Fifth Judicial Circuit  
P.O. Box 192  
Columbia, SC 29202

Dear Solicitor Johnson:

As you may be aware, yesterday I revoked the authority of Solicitor David Pascoe in the matter concerning the redacted portion of the SLED report regarding the Bobby Harrell case. This action was necessary because of our concern that Solicitor Pascoe had attempted to usurp the authority to initiate a State Grand Jury investigation when no such authority had been delegated to him by the Attorney General.

Moreover, multiple leaks to the media over the course of time that Solicitor Pascoe has had the case, together with the leaking of filings to the Supreme Court in the litigation the Solicitor has brought against this office, have caused us to lose confidence in Solicitor Pascoe. While the Attorney General recused himself from this case, he cannot abdicate his duties to supervise the State Grand Jury or his constitutional authority as the state's chief prosecutor. Had the Solicitor come to us rather than suing this office on Good Friday, this unfortunate situation could have been avoided.

Thus, I am now designating you to replace Solicitor Pascoe. You have full authority to review the matter and this office will fully support whatever decision you deem appropriate. The Attorney General has authorized me to say that should you need any investigative tools, including the State Grand Jury, please let me know and you will be given that authority. Our concern is not about the result of the investigation, but the integrity of the process and adherence to the rule of law. Please let me know what you need and I will do everything possible to provide it.

Sincerely,

*John W. McIntosh*

John W. McIntosh  
Chief Deputy Attorney General

CC: Chief Mark Keel, South Carolina Law Enforcement Division  
Jim Parks, Clerk of Court, State Grand Jury

JWM/dm

We find no mandated conflict of interest in the role occupied by the Attorney General under the Constitution and the statute.

<http://law.justia.com/cases/south-carolina/supreme-court/1976/20197-1.html>

# Exhibit 47



**To:** Richard Quinn, Sr.[rquinn9218@aol.com]  
**From:** Adam Piper  
**Sent:** Fri 4/1/2016 1:34:39 PM  
**Importance:** Normal  
**Subject:** Fwd: Pascoe: Dick Harpootlian's Mini-Me  
**Received:** Fri 4/1/2016 1:34:39 PM

----- Forwarded message -----

**From:** Adam Piper <adampiper1@gmail.com>  
**Date:** Fri, Apr 1, 2016 at 11:30 AM  
**Subject:** Re: Pascoe: Dick Harpootlian's Mini-Me  
**To:** Matt Moore ☐ ☐ <mmoore.ie05@gmail.com>

Here's an impetus from Today's Post and courier:

<http://www.postandcourier.com/article/20160330/PC16/160339931/1031/attorney-general-alan-wilson-slams-pascoe-for-x2018-tainting-x2019-statehouse-corruption-probe>

On Fri, Apr 1, 2016 at 11:06 AM, Adam Piper <adampiper1@gmail.com> wrote:

Additional points:

- Pascoe is abusing his power and manufacturing court documents solely to leak them to media as an attempt to begin his bid for Attorney General in 2018.
- Pascoe was not picked by Alan Wilson but by Bobby Harrell who Judge Manning required to sign the consent order before approved by the court in 2014.

On Fri, Apr 1, 2016 at 10:58 AM, Adam Piper <adampiper1@gmail.com> wrote:

Matt -

If there is a way for the party to reveal David Pascoe is Dick Harpootlian's Mini-Me/Sock-Puppet/Clone, it would be beneficial for years to come for the party.

If you ask folks who know him and know Harpo, they will tell you Harpo brags about Pascoe being his puppet.

Idea for you: "Pascoe is tainted for other reasons. He's a Democrat political hack and Dick Harpootlian's mini-me who has relied on Harpootlian throughout his career. Now, Harpootlian wants Pascoe to run for Attorney General again and this is exactly why we need an independent prosecutor who won't constantly leak things to John Monk."

Facts:

1. Pascoe's first job was with Harpootlian.
2. Harpootlian has been the top donor to Pascoe's campaigns.  
Maxed out twice to Pascoe for AG on 1/29/2010 (Personal & Law Firm)  
Maxed out to Pascoe for Solicitor in 2016 and 2012 (\$1,000 ea)

3. Pascoe tried to run for AG in 2010, talked about it in 2014, and wants to in 2018.

Quotes:

When Pascoe attempted to run for Attorney General in 2009/2010, Harpootlian said. "If he runs, I'm supporting him."

**2-15-2009 - Times and Democrat:** Pascoe mulls running for S.C. attorney general

When Pascoe received the Harrell case (picked by Casey Manning), Harpootlian said: "I think Bobby Harrell and the people of the state ought to have the confidence in David Pascoe to do the right thing."

**8-24-2014 - The Greenville News:** Grand Jury ethics probe of Harrell ends; AG Wilson recuses himself

Additional Quote:

Pascoe has been rumored to make prosecutorial decisions for headlines before:

<http://www.bloomberg.com/news/articles/2014-12-08/south-carolina-chief-s-charge-shows-justice-can-transcend-race>

"The indictment chilled South Carolina police, said Wally Fayssoux, a lawyer for Combs, who predicted his client will be acquitted.

"There is a deep concern among law enforcement professionals about this idea that a man could be indicted for just doing his job," Fayssoux said.

He said prosecutor David Pascoe, a white Democrat who sought the charge, wanted national attention."

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Adam Piper

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